

EUROPEAN NEWS

France joins bidding for Norway's North Sea gas

BY WILLIAM DULLFORCE IN STOCKHOLM

THE FRENCH Government has offered to help pay for a gas gathering pipeline to carry Norwegian gas to the Continent in return for permission to buy gas...

Mr. Helle confirmed that Norway was looking to a partner to help finance a gas-gathering pipeline...

Stattjord has proven reserves of 50bn cubic metres associated gas and natural gas liquids as well as 300m tonnes of oil...



Investigators from Supreme Allied Headquarters were yesterday examining the car which was wrecked in the assassination attempt on Gen. Alexander M. Haig Jr. Chief of NATO Forces Europe...

French bid to patch up relations with Algeria

BY TERRY DODSWORTH IN PARIS

THE ATTEMPT to put Franco-Algerian relations on a more friendly footing, launched by M. Jean Francois-Poncet, the French Foreign Minister...

Discussions touched mainly on the two major differences between the two countries: Algerian immigrant workers in France and France's sympathy for Morocco and Mauritania...

SHARP differences are emerging between West German ministers over whether compulsory speed limits should be imposed on motorway drivers...

Banks postpone signature of loan for Turkey

BY OUR FOREIGN STAFF

TURKEY HAS now had to give up its hopes of signing a \$408m syndicated loan with a group of international banks this week...

The Turkish Government on the re-scheduling of its existing debt. In the case of the convertible Turkish lira deposits...

Talks open on new Lome pact

A small increase in the EEC's financial offer to the 57 African, Caribbean and Pacific countries negotiating a successor to the 1976-80 Lome Convention led to the re-opening of talks yesterday...

The ACP groups broke off talks earlier this month, when presented with an offer including total funding of 5.1bn European Currency Units (\$6.6bn) which the Community insisted was final and non-negotiable...

OECD countries' aid contributions fall short of UN targets

BY ROBERT MAUTHNER IN PARIS

OFFICIAL development assistance from OECD countries rose by 7 per cent in real terms to \$18.3bn in 1978, but still fell far short of the UN's target of 0.7 per cent of donor countries' GNP...

The biggest increases in official development assistance last year were recorded by Norway and Denmark. The latter country reached the 0.7 per cent of GNP target for the first time...

Bonn ministers differ on speed limits

BY ROGER BOYES IN BONN

SHARP differences are emerging between West German ministers over whether compulsory speed limits should be imposed on motorway drivers in order to cut energy consumption...

Dr. Volker Hauff, the Technology Minister, said in an interview published yesterday that compulsory speed limits on motorways—at present there is only a recommended upper guideline of 130 km/hour (80 mph)—would help to bring home the seriousness of the energy crisis to West Germans...

Various reasons for delay have emerged. The first is the intense complexity of the legal documents involved. These have been drawn up in New York and have provided, as one banker puts it, "a lawyer's feast"...

Brussels strike

BY OUR FOREIGN STAFF

THE FLOODS of paper issued by the Common Market Commission slowed to a trickle yesterday, as nearly three-quarters of its administrative staff went on a one-day strike over pay...

A spokesman for the Union Syndicale, the largest clerical union involved, said about 7,000 of the commission's 11,000 staff had joined the strike. They wanted a 2.7 per cent wage rise and changes in pay structures and recruitment policy in the Commission, the EEC's executive body...

Basque plan amended

BY OUR FOREIGN STAFF

THE SPANISH Government has prepared a comprehensive list of amendments to the statute of autonomy for the Basque country, due for a preliminary reading in parliamentary commissions today...

Comecon oil concern

BY DAVID SATTER IN MOSCOW

THE PRIME MINISTERS of Comecon, the socialist economic grouping, begin their annual economic summit here today and are expected to concentrate on how to conserve dwindling supplies of energy...

ing a visit to Czechoslovakia that the Comecon countries must take "stringent" energy-saving measures although the Soviets have promised to deliver 80m tonnes of oil to their Comecon partners in 1979...

Dutch energy vote

BY OUR FOREIGN STAFF

THE DUTCH Parliament yesterday voted for compulsory energy saving measures, and said the aim should be to reduce the oil bill by substantially more than the 5 per cent already set by the Government...

Italy public spending up

BY RUPERT CORNWELL IN ROME

THE CHAOTIC state of Italy's public administration and finances has been highlighted by new figures from the National Accounts Committee, indicating that government spending rose by 36 per cent last year, to L68,836bn (£49bn)...

The signs are that this year, despite the Government's proclaimed intentions and repeated warnings from the International Monetary Fund and others, the shortfall might increase further...

Large advertisement for National Airlines featuring a stylized sun and the text 'Catch the sun to Miami daily', 'National Airlines', and 'America's Sunshine Airline'. It includes flight details and contact information.

Advertisement for Banco Urquijo, featuring the bank's logo, name, and a list of international branches and correspondent banks.

EUROPEAN NEWS

French public opinion stands by the guillotine

DAVID WHITE IN PARIS

SIZE court in the Tarn, east France, has convicted a 53-year-old Norbert Garceau, for a woman who he had not failed to seduce. He had been convicted for a murder in 1953 and after serving a commutation for 20 years...

Germans face strict tests on chemicals

By Roger Boyes in Bonn

WEST GERMAN chemical manufacturers will have to subject new materials and products to a range of strict safety tests before they are allowed on to the market, according to a draft Bill submitted yesterday to the West German cabinet.

TOKYO ECONOMIC SUMMIT CONFERENCE

A smile of satisfaction for Schmidt

BY JONATHAN CARR IN BONN

CHANCELLOR HELMUT SCHMIDT can permit himself a modest smile of satisfaction as he goes into the Western Economic Summit conference in Tokyo on Thursday. West Germany is not in the firing line of international criticism over its economic strategy as it was before the Bonn summit a year ago.



West German Chancellor Helmut Schmidt stopped for three hours in Moscow en route to the economic summit in Tokyo.

To some extent, the sharp increase in oil and raw materials prices has concealed the "home-made" component of West German inflation. That "foreign" addition to the increase in domestic prices has been made worse by the unusual (for the Germans) experience of a relatively weak currency.

Greece debates accession treaty

OUR ATHENS CORRESPONDENT

GREEK Parliament yesterday began a four-day debate on the Treaty of Accession to the EEC, which was signed in Athens on May 28. A minor poster battle in the parliament followed the debate.

Finnish President explodes midsummer political 'bomb'

LANCE KEYWORTH IN HELSINKI

JMMER IS switching time and tide, when well water runs. But the wine has soured this midsummer for the speaker of Parliament, who ranks second in the race for the Presidency after the President and his son.

Large advertisement with text: "Altogether I found that your service is every bit as good as your ads promise."

FORWARD TRUST LIMITED - BANKERS. DEPOSIT RATES. Depositors are advised that with effect from 26th June 1979 the following rates of interest will apply.

Lufthansa German Airlines advertisement. Includes logo and text: "Consult your Travel Agency or our timetable for exact details of all our flights."

OVERSEAS NEWS

SOUTH AFRICA'S PRESS RESTRICTIONS

Shifting the emphasis to self-censorship

THE GREATEST irony of South Africa's Muldergate scandal is that the exposure by the Press of the massive misuse of public money in the former Department of Information is likely to prove a pyrrhic victory. At the same time as the revelations of the secret financing of a pro-Government newspaper have caused the resignation of both Mr. John Vorster, the former Prime Minister, and Dr. Connie Mulder, his heir apparent, a positive barrage of legislation to restrict Press reporting in the future has been pushed through Parliament.

In the end, the South African Government has stopped short of a head-on confrontation. Its plans for a blanket ban on further revelation of corruption in Government, which could be imposed by an Advocate-General appointed to investigate such cases, has been dropped in the face of the combined opposition of both pro- and anti-Government Press. But in its place, Mr. P. W. Botha, the Prime Minister, clearly expects to win a wide degree of self-censorship.

The current battle being fought to preserve some modicum of Press freedom in South Africa is as revealing as any other issue of the growing war psychosis which rules the country today.

There is no doubt that the media in South Africa is currently facing a drastic erosion of its freedom to publish information. Five major items

of legislation were brought to Parliament in the latest session. The leading newspaper lawyer in the country, who published a 300-page work on the subject in 1977, has already virtually filled a bookshop with amendments for his next edition.

"There has been more legislation over the two years since 1977 affecting journalists than any other profession I can think of," says Mr. Kelsey Stuart, legal adviser to the South African Associated Newspapers (SAAN) group. Three newspaper stories have caused most embarrassment to the South African Government in the past three years: the Soweto riots and their suppression, the deaths in detention of Black dissidents, culminating in the death of Mr. Steve Biko, the Black consciousness leader, and the Information Department scandal. Now three laws have been passed by Parliament to restrict the same sort of publicity ever being given again to such situations. The Police Amendment Act prevents any newspaper from publishing "any untrue matter" about the police without being able to prove its reasonable grounds for doing so. The request amendment act would prevent any publication of evidence about suspicious deaths, such as that of Biko, before an inquest. Finally the Advocate General Act makes any investigation of corruption in government sub-judice while it is being investi-

gated by the Advocate General. In addition, the Atomic Energy Act now forbids publication of any details of uranium production and contracts, or of atomic energy research—even undertaken outside the country. The National Supplies Procurement

Act allows a government minister to rule off whole areas of the economy as officially secret. And the Petroleum Products Amendment Act seeks to prevent publication of any details about oil procurement, supplies, storage and distribution.

That harrage of legislation joins a list which already covers vast areas of South African life: the Prisons Act, the sweeping Defence Act, the Internal Security Act (which bans newspapers from quoting dissidents), the Terrorism Act and the Official Secrets Act, as well as a system of censorship which produces a weekly list of banned publications often running to 30 or 40 works.

Restriction of press activities does not consist merely of a legislative minefield. In the past three years—since the outbreak

of the Soweto riots in 1976—journalists, especially Black ones, have earned the particular attention of the security police, and several have been detained for many months, before being subsequently hanged (legally silenced and restricted). In most

cases, no charges were ever brought. In October 1977, the two leading Black newspapers—World and Weekend World—were banned, along with Pro Veritate, a church newspaper. Individual editions of other newspapers have since been repeatedly banned, particularly The Voice, a Black Christian newspaper in Johannesburg. The Nation, official newspaper of Inkatha, the Zulu politico-cultural movement, and most recently Varsity, the Cape Town student newspaper, which has been permanently banned. The state, and leading members of the Government, have brought a spate of law suits against various newspapers for defamation, contempt and criminal

defamation, although virtually all have been lost. Above all, the cumulative effect has been to encourage self-censorship in the press. Prime target of the onslaught is the Black press, which has been stunted in its growth by continual legislative harassment, and the White liberal English-language press. The broad-casting system is no more than a propoganda arm of Government, both radio (including Black vernacular services) and television. The Afrikaans press is unanimously Government-supporting. The latest salvo of legislation, culminating in the Advocate General Bill, has at least briefly united the unlikely allies of English and Afrikaans press.

What is still unclear is just what persuaded Mr. Botha finally to abandon the most drastic Press gagging clause in the Bill, when he had earlier dismissed the opposition to it as "hysterical screaming." Government thinking seems to be that it can gain a more effective silence through self-censorship.

The big danger comes from within," Mr. Stuart says. "There is a great danger that newspapers will just rule off whole areas as taboo."

Such a situation has already arisen with such sensitive issues as Defence and Prisons. The new Police Act is likely to bring coverage of police activities into the same uncritical area, where all that is published is official comment. The opposi-

tion Press already admits that there are two forms of Press curbs: those which are justifiable in the interests of national security—about defence, oil supplies, or atomic energy—and those which are not justifiable, restricting coverage of domestic political issues, such as police brutality or corruption in government. But Mr. Botha seems to be arguing that in the "total onslaught" against his country, such a distinction can no longer be drawn.

That mentality has wide currency within the Government, and increasing support outside the immediate circle of the National Party, as the White population of South Africa feels increasingly threatened by a hostile world.

Although the Nationalist press has hailed Mr. Botha's concession on the Advocate General Bill as a major victory, there is some concern that curbing the press could actually threaten the stability of the system. "South Africa's free press was definitely one of the factors which brought a balance and provided a pressure valve in a situation in which the Afrikaner minority rules over a number of other national groups," Mr. Otto Krause, a leading Nationalist commentator, wrote recently. "Why throw this wisdom overboard after 30 years? The envisaged legislation will encourage other groups to seek confrontation, because they are denied press criticism."

Desai threatens detentions as unrest worsens

NEW DELHI—Mr. Morarji Desai, Prime Minister of India, said yesterday that his Government wanted to re-introduce preventive detention to deal with growing unrest in the country. He said his Government would not be intimidated and would deal firmly with widespread police strikes and bloody communal riots.

Earlier in the day 19 policemen were killed in gun battles with troops after the Indian army was ordered in to break a wave of police strikes. Two soldiers were also killed in army raids on striking policemen in camps in New Delhi and Northern Bihar State.

Mr. Desai said he would like to revive the old Preventive Detention Act, but it would have safeguards, unlike the Maintenance of Internal Security Act under which Mrs. Indira Gandhi, the former Prime Minister, jailed her political opponents during her 1975 emergency rule.

The Preventive Detention Act would provide for reasons to be given to detainees for their imprisonment, they would have access to the courts and detention orders would be subject to review by judicial committees.

Mr. Desai strongly denied that bringing back preventive detention was another move by the Janata Government to by-pass normal judicial procedure. The Government has already set up special courts to try Mrs. Gandhi and others for alleged offences committed during the emergency.

Mr. Desai's bi-annual Press conference was planned to coincide with his return from a 12-day European tour that took him to the Soviet Union, Poland, Czechoslovakia, Yugoslavia and West Germany. But the general unrest in



Mr. Morarji Desai, India's Prime Minister. India, highlighted by an exodus of Moslems in the east, the police strikes in the Delhi area and the eastern state of Orissa, and warnings that it might become difficult to hold the ruling Janata Party together, is the focus of attention.

Hindu-Moslem riots in the Nadia district of West Bengal have left 33 dead, according to the Statesman newspaper in Calcutta.

In Dacca, Shah Iqbal Rahman, Prime Minister of Bangladesh, said that more than 15,000 Indian Moslem refugees has crossed into the country. Unofficial reports put the number as high as 25,000.

In the northern Indian cities of Allahabad and Jamsheer, where about 150 people have been killed in communal violence since October, a curfew has been reimposed. Reuter

We had to know all the costs for a ship's crew before we financed a \$100 million loan for an international shipping group. And we did it by arranging syndication in London, New York and Tokyo while providing multi-currency management advice.



Member FDIC

For Marine Midland Bank, this kind of transaction is all in a day's work. We're an international network of bankers doing business in the largest money centers in the world, for the largest corporations in the world, all over the world. So wherever you need us, count on us. You'll get the response that's right for you.

MARINE MIDLAND BANK

New York City, Buffalo, Miami, Beirut, Bogotá, Buenos Aires, Caracas, Frankfurt, Hong Kong, Jakarta, London, Madrid, Manila, Mexico City, Nassau, Panama, Paris, Rio de Janeiro, Rome, São Paulo, Seoul, Singapore, Sydney, Tehran, Tokyo, Toronto.

Cars stoned as Kampala demonstrators back Lule

BY JOHN WORRALL IN NAIROBI

DEMONSTRATORS stoned cars, set fire to car tyres, and put up road-blocks in renewed unrest in the Ugandan capital, Kampala, yesterday as crowds continued to express support for ex-President Yusuf Lule. There were attempts to organise a general strike in the city. Garages refused to sell petrol. Some offices closed. Some shops failed to open and crowds tried to stop food lorries entering the city.

Mr. Lule, who was replaced by Mr. Godfrey Binaisa last week, was taken under escort to Dar es Salaam, but reports that he is there under duress were denied yesterday.

According to Uganda Radio Mr. Yoweri Museveni, the Defence Minister, was attacked by demonstrators outside Kampala but was unhurt. A police station was also attacked. The strike was said to have

been organised by underground groups who distributed leaflets during the night attacking Binaisa and demanding Lule's return. One group, according to the radio, is called the International Front of Underground Liberators. Two organisers were said to be in police custody, one of them being Mr. Mavaria Nguni, a Prime Minister in the former Kingdom of Uganda.

Mr. Paulo Mwanga, Internal Affairs Minister, issued a warning that all steps would be taken to maintain law and order. But it is understood that popular support for Lule is spreading. Mr. Bob Astles, 55, British horn aide to ex-President Amin, was remanded in custody by a Kampala magistrate yesterday on charges of robbery and theft, involving a car. Mr. Astles has already been remanded on a charge of murder.

Harlech expected to seek talks with Muzorewa

BY MARTIN DICKSON

LORD HARLECH, Britain's special envoy on Rhodesia, is expected to visit Salisbury soon for important talks with Bishop Abel Muzorewa which are designed to revive momentum for an internationally approved settlement.

Lord Harlech seems certain to try to persuade Bishop Muzorewa and the white members of his Cabinet to change the constitution of Zimbabwe Rhodesia, which is the subject of strong international hostility.

The Government's strategy towards Rhodesia was reviewed yesterday at a meeting in London between Lord Carrington, Foreign Secretary, and two British envoys, Lord Harlech, who has just returned from a visit to seven black African states, and Mr. Derek Day, London's semi-permanent representative in Salisbury. Lords Carrington and Harlech will hold further discussions today with Mrs. Thatcher, the Prime Minister.

Lord Harlech and other British representatives have found strong hostility across Africa, even from relatively moderate states, to the new constitution of Zimbabwe Rhodesia,

which leaves whites with a degree of power out of proportion to their numbers.

Whites have a quarter of the seats in Bishop Muzorewa's Cabinet and control over the civil service, judiciary and security forces has been placed in the hands of white-led commissions.

The British Government now seems to believe that changes in the constitution are vital if Zimbabwe Rhodesia is to stand any chance of international recognition—and it evidently believes that moves on the constitution could pave the way for a fresh round of negotiations between the Salisbury Government and the Patriotic Front guerrilla movement, which opposes the internal settlement.

However, Bishop Muzorewa may be in no mood to compromise, although the defection of eight members of his United African National Council party last week and the resultant weakening of his position could make him more amenable to British overtures.

Meanwhile, Lord Carrington yesterday held talks on both Rhodesia and Namibia with Mr. Andrew Young, the U.S. Ambassador to the United Nations.

Vietnamese team in China for border negotiations

BY JOHN HOFFMANN IN PEKING

A HIGH-LEVEL Vietnamese delegation arrived in Peking from Vietnam yesterday to prepare for the resumption of talks on territorial and refugee disputes. The first round of talks ended in Hanoi last month without even an agreement on the terms of reference.

China has rejected a Vietnamese proposal for discussions on a demilitarised zone on the Sino-Vietnamese border and has put forward an eight-point

agenda which Vietnam refuses to accept.

Among China's requirements are the withdrawal of Vietnamese troops from Kampuchea and the resettlement of Vietnam of 230,000 refugees who have fled into southern Chinese provinces since early last year.

The atmosphere is already tense. In the past week both Governments have made accusations of further armed provocations at the border.

Handwritten signature or mark.

Rice controls in Ghana may cause food shortages

MARK WEBSTER

FACES acute food shortages in urban centres as dwindling stocks are soon, economists and here believe. Ghana's military rulers have made approaches to governments to ask for a military spokesman.

stant profits

the Armed Forces Council (AFRC) took the country in a few weeks ago. It has been trading and shopping to sell at the official price. Previously had changed hands above the official price, both scarcity and profits in the rice trade.

the AFRC's move has been described as "economic" by one economist here. It has dramatically reduced consumption when were already tight. As the local markets are running out of food, is in no position to abroad. Estimates of exchange reserves in bank are hard to, but most observers that gross foreign reserves are between

\$100m and \$150m, which is less than one month's imports bill.

The AFRC's campaign has been greeted enthusiastically by the populace. They have been encouraged to report anyone they suspect of hoarding or profiteering so they can be tried before "People's Courts." Those found guilty face penalties ranging from death by firing squad to flogging and confiscation of goods.

Newspapers have also reported incidents of soldiers taking justice into their own hands. The AFRC has decreed that anyone found guilty of hoarding should have his house blown up, traders who overcharge should be flogged and anyone not opening his shop as usual should have his goods confiscated and the shop burnt down.

Harassment

There have been incidents of harassment in the markets, with soldiers obliging traders to sell at even below the controlled price. It is thought that farmers are no longer bringing their produce to market because of the intimidation and the low prices.

Flight-Lieutenant Jerry Rawlings, the chairman of the AFRC, yesterday issued a plea

to the market women who form the backbone of Ghana's retail trade to carry on selling as normal.

The enforcement of price controls is in direct opposition to the stabilisation agreement reached between the former military regime of General Fred Akuffo and the International Monetary Fund last year.

Mismanagement

The Fund advocated allowing prices to find their own level to reflect supply. Economists agree that enforcing the controls even further distorts an economy which is almost a textbook case in mismanagement.

Previous years have been characterised by increasingly large budgetary deficits, financed by printing money, three-figure inflation, widespread shortages and a general rundown in all the productive sectors of the economy.

Ghana is technically in breach of its agreement with the IMF because the coup interrupted a series of policy review talks, but most people are sceptical that anything short of a complete overhaul of the economy will prevent Ghana from collapse.

Discount oil for Third World urged

TEHRAN — Mr. Hassan Nazih, chairman of the National Iranian Oil Company, issued a call yesterday for the Organisation of Petroleum Exporting Countries to sell oil at a discount to developing countries.

Mr. Nazih, who was speaking at Tehran airport before leaving for the OPEC conference in Geneva, said NIOC might sell crude to the Third World at a reduced price.

"As long as the Iranian Government agrees, NIOC can reduce the price of oil for developing nations. Of course, it would be better if all the OPEC members agreed to do this," he said.

Mr. Nazih said he hoped that the Geneva meeting would yield a reasonable price for oil and said it was possible that it might rise to above \$20 a barrel. At present the OPEC price stands at \$14.54 a barrel. "However, I think it always appropriate for Iran to impose a surcharge."

Iran has twice raised the price of its crude since fixing the term contract value of its oil exports last April. Iranian light crude now costs \$18.47 a barrel.

Mr. Nazih said he was worried by the high price oil was fetching on the Rotterdam spot market.

ENERGY CONFERENCE IN MONTREUX

Hoarders push up oil prices

BY KEVIN DONE, ENERGY CORRESPONDENT

OIL CONSUMING countries have forced up crude oil prices on the spot market by moving too fast to rebuild stocks for next winter, Dr. Ulf Lantzke, executive director of the International Energy Agency, said yesterday.

"In the second quarter of the year some countries have been too eager to rebuild stocks and this has contributed to the tightness of the market. At the moment we are building stocks too fast and this has added to market pressures in Rotterdam and the Caribbean," he said.

The present IEA target of reaching overall stock levels equal to a 90-day supply by January next year was sufficient to give most oil-consuming countries a temporary cushion against disruption in supplies, said Dr. Lantzke, but there was a need for higher stock levels in the U.S.

The U.S. needs at least 65 days working stocks just to ensure normal uninterrupted supplies of oil products to consumers, compared with the minimum levels of 35 to 45 days working stocks needed in other IEA countries, according to Dr. Lantzke.

The IEA is a group of 20 major oil consuming nations, with the exception of France, which was set up in the wake of the 1973-74 oil crisis. The industrialised world had spent

\$10bn to \$15bn to build stocks to present levels.

Crude oil prices had risen by an average of 34 per cent since the beginning of the year according to the IEA's latest calculations, said Dr. Lantzke.

Addressing a conference in Montreux on the outlook of oil

increasingly near the level of crude oil output to the pace of their own domestic economic development. OPEC countries would only feel an incentive to raise output and invest in extra production capacity if the higher oil revenues could be translated into additional national assets.

Dr. Al-Chalabi emphasised that money not used for economic and social development depreciated rapidly, and represented a net loss for OPEC members as their oil reserves diminished.

● AP-DJ adds from Bonn: West German Economics Minister Otto Graf Lambsdorff has said he doesn't expect petrol rationing in West Germany because the country has sufficient stockpiles. Lambsdorff said in an interview with the magazine "Bunte" that besides being unnecessary because of sufficient stockpiles, a system of ration cards for petrol would lead to a high-priced black market and other inequities. There were no grounds presently even to think about ration cards, Mr. Lambsdorff told the popular illustrated weekly.

● Renler adds from Ottawa: Canadian Prime Minister Joe Clark has denied a report in a Japanese newspaper that he will pledge a 7 per cent cut in Canadian energy consumption, the Canadian Press news agency reported on Monday.



U.S. court to rule on OPEC

By David Lascelles in New York

A CALIFORNIA court case, which started as one of the country's more bizarre anti-trust actions, has suddenly gripped public attention because it could profoundly affect U.S. relations with the Organisation of Petroleum Exporting Countries.

The suit, filed last December by the International Association of Machinists, accused a OPEC of price-fixing and other anti-trust offences. The trade union asked the court to award damages and ban OPEC from passing on any further oil price increases to the U.S. market. The State Department was obliged to serve notices of the action on OPEC countries, but none has appeared in court.

The machinists have had little trouble proving that OPEC operates a cartel within the meaning of the Act. Legal arguments have turned instead on whether the court has jurisdiction in the case. The machinists' lawyers pointed to earlier cases where judges have ruled that foreign activities are subject to U.S. anti-trust legislation if they affect U.S. interests.

Should the court find in the machinists' favour and award damages, OPEC countries could decide to withdraw billions of dollars' worth of assets from the U.S. to prevent their being seized.

Clark defuses row over Aviv embassy move

BY GUY MACKIE IN OTTAWA

CLARK, the Canadian Minister, has defused the row over the move of the Israeli embassy to Jerusalem.

Mr. Clark, who is a member of the Conservative Party, said he had a fact-finding mission to the Middle East. He said that the proposed move would be completed in the next few weeks.

Mr. Clark said he was pleased with the results of his mission. He said that the Israeli government had agreed to transfer the embassy to Jerusalem in May, which is part of a series of bi-weekly meetings held alternately in Israel and Egypt.

Mr. Clark said he was pleased with the results of his mission. He said that the Israeli government had agreed to transfer the embassy to Jerusalem in May, which is part of a series of bi-weekly meetings held alternately in Israel and Egypt.

Mr. Fahmy also noted with approval the statement by Mr. Clark that the Jerusalem embassy move must be "compatible with the efforts that are being made to achieve a comprehensive peace settlement in the Middle East."

The Arabs have said repeatedly that transferring the embassy would undermine peace efforts. Ambassadors representing the Arab League states also met Mr. Clark and said they were pleased with their discussions.

Mr. Clark indicated that the Stanfield mission would not be completed until next year. Mr. Stanfield, who did not seek election in the federal election in May, will start work in September and is expected to begin consultations outside Canada in the autumn.

Mr. Clark said he wanted to develop Canadian relations with Arab countries in all fields—political, economic, technological and cultural—to their mutual and continuing benefit.

West Bank settlements

BY DAVID LENNON IN TEL AVIV

WILL start on two new settlements on the West Bank in the next few weeks, even as Israeli and Egyptian negotiators resume talks on the future of the territories.

The new settlements, in the West Bank, were announced by the Government's decision to transfer more territory to the West Bank to pre-empt any Palestinian self-rule for the Palestinians on the West Bank and Gaza Strip.

Dr. Moustapha Khalil, Prime Minister, headed the Egyptian team to the talks, which are part of a series of bi-weekly meetings held alternately in Israel and Egypt.

Ghson Hifazi adds from Beirut: Five towns in southern Lebanon were shelled by Israeli artillery yesterday after an Israeli announcement that Katyusha rockets had been fired from Lebanon earlier in the day into a settlement in northern Israel.

There were 10 privately-owned insurance companies: six with 20 per cent foreign shareholdings and one, Iran-America, with 35 per cent. Their total invested capital was a relatively small 800m rials (\$11.4m).

Apart from its associate arrangement with Alborz Insurance, Yorkshire Insurance, by far the longest established of the foreign insurance companies, also had a 20 per cent stake in Alborz itself. Like others, its premium income had dropped by nearly two-thirds since the revolution and Alborz was being kept going by its investment earnings, mainly from government bonds.

Among the other joint ventures were: Bimeh Shargh, in which the Insurance Company of North America had a 750,000 stake; Dana Insurance, in which Commercial Union had 20 per cent; Hafez Insurance, in which the Royal Assurance Group had 10 per cent; along with 10 per cent from the Continental Insurance Company of the U.S.; Tehran Insurance, with a 20 per cent holding by Assurance Generale de France and Pars Insurance, with 20 per cent held by a group of Italian, Lebanese and German companies.

One name that will have the same appeal a year from now

With August 1st fast approaching, a driver's thoughts turn to new cars and new registrations. Which would seem to be the best possible time to remind you of the many virtues of the Lancia Beta Saloon.

Virtues which will far outlast the novelty of your V registration number plate.

By any standards the Lancia Beta Saloon is a stylish, individual car. (With our pedigree, it couldn't be much else.)

It's also supremely comfortable, seating

five adults with head and leg room to spare. On long journeys, everyone will appreciate the soft wool-like cloth on the contoured seats. Behind, there's 18 cubic feet of boot space to comfortably take care of your luggage.

For the driver there's a comprehensive dashboard, a five speed gearbox, Lancia's renowned front wheel drive for exceptional handling and roadholding, and the reassurance of a dual safety brake system.

And, whether you drive the 1300, 1600 or 2000cc version, the car will perform like a true Lancia,

effortlessly reaching 100mph.[†] After reading this, we feel sure the idea of a test drive will appeal. Your Lancia dealer will be happy to arrange one. It will convince you that you're driving one of the few bargains left on four wheels.

LANCIA
The most Italian car.
Lancia (England) Ltd., Alperton, Middlesex.
Tel: 01-998 5355 (24 hour sales enquiry service).



The Lancia Beta Saloon range from £4,010.34.*



AMERICAN NEWS

Savings blow for housing

BY STEWART FLEMING IN NEW YORK

SAVINGS inflows into institutions which finance U.S. housing weakened for the second consecutive month in May...

The impact of this decision has been exaggerated by declines in Treasury Bill interest rates. As a result, the money market funds are now offering investors as much as 10 per cent on their funds...

Advance buying slows

BY JOHN WYLES IN NEW YORK

THE U.S. economy slowed sharply because consumers have been stopping trying to beat inflation by purchasing new cars and houses earlier than they might otherwise have done...

ing because of high interest rates. The university researchers see the lack of buying in advance as an indication that the U.S. recession may already have arrived...

Kennedy wins more support

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE DEMOCRATIC Party's liberal wing has lent its support to the movement to draft Senator Edward Kennedy from Massachusetts for the Presidential nomination next year.

resigned to the ADA's hostility and believes that its electoral clout may be overrated. The final ADA motion called for the creation of "an irresistible national mandate" for Senator Kennedy...

ling out of Senator Kennedy, whose own liberal credentials are considered impeccable, anything other than a repetition of his constant statement that he expects Mr. Carter to run and be renominated and that he will support him in the Presidential elections.

DC-10s flying again 'in two weeks'

BY JOHN WYLES IN NEW YORK

HEARINGS opened in Los Angeles yesterday on McDonnell Douglas' appeal against the Federal Aviation Administration's order grounding all U.S. registered DC-10s until reports that the domestic fleet could be flying again in about two weeks.

was carried out until the manufacturer designs improvements in the aircraft's structure. However, the Federal Aviation Administration refused yesterday to speculate on when it might restore the DC-10's certificate of airworthiness.

were now adequate to prevent a repetition of the May 25 Chicago crash which killed 273 people. According to the New York Times, Dr. Raymond Biplinghoff, an aeronautical engineer retained by the FAA, had designed a new inspection programme.

Somoza 'ready to talk' to OAS

BY HUGH O'SHAUGHNESSY

GEN. ANASTASIO SOMOZA is prepared to consider proposals by members of the Organisation of American States for the solution of the present Nicaraguan crisis "on a democratic, just and permanent basis."

sooner. The guard however, continues to battle on against the Sandinista guerrillas and the popular insurrection, not least out of fear of what might await it after a guerrilla victory.

It is possible, however, that Barbados, whose coast guard already helps one or two of the smaller islands with fisheries protection, may be persuaded to provide transport.



MAPCO IS LP-GAS, BUT... 225 MAPCO-owned and distributor-owned Thermogas brand retail LP-gas outlets also sell appliances and liquid fertilizer in 11 states. MAPCO also produces and markets oil, natural gas, gas liquids and coal, operates LPG and anhydrous ammonia pipelines, and produces and sells sonic instrumentation devices.

At the end of last year Nicaragua's public sector foreign debt was put at \$1bn of which \$407m was to foreign commercial banks. The net international reserve position was in deficit, liabilities amounting to \$288m against assets in currency and the like of only \$85m.

Dominicans pick up the pieces

BY TONY COZIER IN BARBADOS

LIFE IS returning to normal on the Caribbean island of Dominica. Following the violent crisis which brought violent street demonstrations, a crippling general strike, a constitutional dilemma and, finally, the removal from office last Thursday of Mr. Patrick John, the Prime Minister.

The general strike has ended, and Mr. Seraphine has appealed to the population of 90,000 to get the impoverished agriculture-based economy running again. Mr. John, a 42-year-old former school teacher who came to office in 1971, has remained adamant that he is still legally the Prime Minister.

Caribbean states set up regional police force

By David Renwick in Trinidad

THE NEW "revolutionary" Government in Grenada may not realise it, but it has been indirectly responsible for the haste with which the other smaller islands in the Caribbean have decided to come together to form their Organisation of Eastern Caribbean States (O.E.C.S.).

The treaty establishing O.E.C.S. is expected to come into effect at the end of this month, at which time the Council of the West Indies Associated States will go out of existence. The new organisation was conceived before the March coup which ousted Mr. Eric Cairy, Prime Minister of Grenada, in response to the need for co-operation among very small islands which were becoming independent but had limited visible means of support.

Radical groups

In most of the islands concerned—St. Lucia, Dominica, St. Vincent, Antigua, St. Kitts, Nevis and Montserrat—there are political groups of diverse strength and influence espousing varying brands of radicalism. The incumbent governments are understandably not anxious for any of them to attempt to adopt the Grenada solution.

The regional police force that will be formed as an integral part of the eastern Caribbean organisation is designed to dissuade anyone wishing to emulate Mr. Maurice Bishop (the new Grenadan leader) from contemplating a coup.

The weak financial position of the new governments has meant that the regional force will be obliged to depend on other governments for its transport and naval support. It may be a sign of the lack of common agreement on such matters in the context of the wider Caribbean association that the O.E.C.S. members did not approach their bigger brethren, Trinidad and Tobago, Jamaica or Guyana for such assistance, but have turned instead to Britain, Canada and the U.S.

Cuban arms

What worries the O.E.C.S. leaders most is the build-up of Cuban arms and ammunition in Grenada. The new Government has made no secret of the fact that it asked for, and obtained, defence help from President Fidel Castro, of Cuba, but claimed it did so in the face of a possible counter-coup by Mr. General Gueyuan for San Diego (California) and after traditional Western sources, such as the U.S. had shown no inclination to help.

WORLD TRADE NEWS

Agriculture gains in 1979 Chinese investment plan

CHINA WILL devote to agriculture 14 per cent of the planned \$32bn (£15.1bn) investment in construction projects in 1979, according to further details of the 1979 national economic plan reported by the New China News Agency.

Yu Quli, the Chinese vice-Premier, said when the plan was presented to the Chinese Parliament on Thursday that \$25bn of the \$32bn would come from the State and the rest from local authorities.

Agriculture would receive 14 per cent of the total compared with 10.7 per cent last year. The money would be spent on 65 water conservation projects, funds for animal husbandry, forestry and land reclamation. Light and textile industries are to receive 5.8 per cent against 5.4 per cent last year and heavy industry 46.8 per cent against 54.7 per cent in 1978.

Washington outlines tariff cuts

WASHINGTON—The Carter Administration has disclosed the details of the tariff reductions it and its major trading partners have agreed upon after years of haggling in Geneva.

On average for industrial goods, the U.S. has agreed to about a 31 per cent cut, the European Community 27 per cent, Japan 25 per cent and Canada 24 per cent. Although the percentages appear large, the money amounts of the cuts are relatively small. Most will be phased in over eight years beginning on January 1. The U.S. Special Trade Representative, Mr. Robert Strauss, said the process would gradually

U.S. gets tough on export credits

By David Buchan in Washington

THE UNITED STATES, the gentle giant of world trade, has at last, under severe provocation, decided to step down into the arena and teach some of the major export trading nations a lesson. This at least is the impression that some of the more aggressive exporters from the U.S. have formed.

Guangdong production units began accepting foreign assembly and processing business in June last year, mostly from Hong Kong companies. Most of the deals are concluded on the basis of compensatory trade, whereby the foreign firm supplies the materials and the equipment and receives the finished product instead of cash because of China's shortage of foreign exchange.

Anger over Philippine guidelines

BY DANIEL NELSON IN MANILA

CHAMBERS of commerce representing overseas companies are preparing for a new round in their struggle with the Government over proposed rules covering trademark, franchising and technology transfer agreements.

The Chambers consider that the proposed guidelines would act as a major impediment to foreign investment and hamper industrial development. "The rigidity of the guidelines," says Mr. D. G. Harrison, manager of the Hongkong and Shanghai Bank here and president of the European Chamber of Commerce, "may well result in planned investment targets not being met... with adverse repercussions on the economy."

HK deficit increases 38%

HONG KONG—Hong Kong's external trade for the first four months this year totalled HK\$44.7bn (\$4.3bn), an increase of 38 per cent over the corresponding period in 1978, AP-DJ reports from Hong Kong.

Exports of the Swiss embroidery industry rose 3.5 per cent to SWFr 204.6m (€58m) last year, according to Stickerei-Trenhard-Genossenschaft, the industry's association. John Wicks writes from Zurich. Some 95 per cent of all Swiss embroidery products are sold abroad, with exports rising particularly in EEC countries and Asia.

Soviet first quarter deficit with West rises 20%

BY DAVID SATTER IN MOSCOW

THE Soviet Union's first quarter deficit this year with the West was higher than any quarter since 1976. Western economic experts are predicting another big Soviet deficit with the West for the whole of this year. Figures just released show the Soviet deficit with the West for the first three months of 1979 at Rs 1.3bn (€922m), 20 per cent more than last year's first quarter deficit, which was Rs 1.1bn.

PLASTICS INDUSTRY Competition for feedstock grows

BY SUE CAMERON, CHEMICALS CORRESPONDENT

EUROPEAN plastics manufacturers are beginning to face up to the possibility of a confrontation with the major oil companies over supplies of naphtha, the raw material vital for both the petrochemical industry and petrol production. The conflicting interests of the chemical and petrol industries were highlighted last week at a meeting in Amsterdam of the Association of Plastics Manufacturers in Europe.

of crude oil with the manufacturers of other products, notably petrol. As we have seen only too clearly in recent months, keeping the filling stations supplied with petrol is a top political priority to which, unfortunately and to the detriment of the overall economy, maintaining the supply of essential feedstocks to the chemical industry comes a poor second.

U.S. gets tough on export credits

Whether these tactics will persuade the other countries now participating in the credit agreement that it must be reformed is by no means clear. But the Exim Bank says it will not be clear until next year at the earliest. The U.S. has pushed in particular for an increase of the 7.25 per cent minimum interest rates, on the grounds that these floors are now well below market rates prevailing in most participating countries, for a ban of limits on the mingling of all export credit with export credits, and on local cost financing. In return, it was prepared to talk about widening the agreement to include aircraft, nuclear power, plant and some ship sales.

U.S. gets tough on export credits

BY DAVID BUCHAN IN WASHINGTON

Whether these tactics will persuade the other countries now participating in the credit agreement that it must be reformed is by no means clear. But the Exim Bank says it will not be clear until next year at the earliest. The U.S. has pushed in particular for an increase of the 7.25 per cent minimum interest rates, on the grounds that these floors are now well below market rates prevailing in most participating countries, for a ban of limits on the mingling of all export credit with export credits, and on local cost financing. In return, it was prepared to talk about widening the agreement to include aircraft, nuclear power, plant and some ship sales.

U.S. gets tough on export credits

BY DAVID BUCHAN IN WASHINGTON

Whether these tactics will persuade the other countries now participating in the credit agreement that it must be reformed is by no means clear. But the Exim Bank says it will not be clear until next year at the earliest. The U.S. has pushed in particular for an increase of the 7.25 per cent minimum interest rates, on the grounds that these floors are now well below market rates prevailing in most participating countries, for a ban of limits on the mingling of all export credit with export credits, and on local cost financing. In return, it was prepared to talk about widening the agreement to include aircraft, nuclear power, plant and some ship sales.

U.S. gets tough on export credits

Whether these tactics will persuade the other countries now participating in the credit agreement that it must be reformed is by no means clear. But the Exim Bank says it will not be clear until next year at the earliest. The U.S. has pushed in particular for an increase of the 7.25 per cent minimum interest rates, on the grounds that these floors are now well below market rates prevailing in most participating countries, for a ban of limits on the mingling of all export credit with export credits, and on local cost financing. In return, it was prepared to talk about widening the agreement to include aircraft, nuclear power, plant and some ship sales.

HOW TO SAVE 1/4p.

Choosing the right truck is an important financial decision, but do you know just how important?

A mere 1/4p a mile difference in overall running costs between two makes of truck doing 100,000 miles works out at a saving of £250.

With 20 trucks that's £5,000 saved.

Over 400,000 miles, that's a saving of £200.

Nearly enough to buy yourself a new truck.

And the difference between the very best and the very worst truck can work out at considerably more than 1/4p.

Clearly it's vital that your company has the most cost effective trucks.

To help you make your choice, here are some of the conclusions drawn from an independent test conducted by "TRUCK" magazine on Europe's best trucks.

It's worth noting that an M.A.N. truck came out on top and as such was voted by an national jury, "TRUCK of the Year 1978".

"Spectacular economy"

"The ability to earn revenue at low cost to perform adequately with the utmost reliability, to keep on working with the minimum interruptions and to achieve all this with a remarkably simple design are the award-winning features of the M.A.N. 16.280.

It is a vehicle that has been aimed at the fleet operator and clear-mindedly at the requirements of the fleet operator, without calling on the powers of "exciting design" that can be so attractive on paper but which can be a nightmare in practice.

Praise for the winner's spectacular economy came from all the jury.

"Minimum costs"

"In trucking there is little room for frills, for innovations, exciting but unproven engineering, far-out engineering that does not have a very sound logic behind its adoption. The European trucker wants something that he can rely upon to do a good job of and to most truckers that means shift the maximum amount of freight at the lowest possible cost and to keep on doing that week in, week out, month after month.

That is exactly why the 280 has won a good reputation in so short a time. It does just that."

Good driver environment cuts business economics.

A comfortable driver is a safer, more efficient driver.

And a safer, more efficient driver means

a more efficient, profitable company.

Here are some of the "TRUCK" jury comments.

"Cab appointments are possibly the best combinations of comfort and practicality that can be found in Europe today.

It is all based round a very strong steel shell which meets EEC standards as is.

Seating specification includes Isringhausen suspension seats for both crew members (marketed as the Derby in most places).

Certainly in many hundreds of kilometres that we've covered, the 280 has met every road and ride situation with commendable comfort.

Detail cab fittings include very well made lockers for papers, containers for hot drink flasks, high quality upholstery in breathing vinyl fabric, the whole being washable or even scrubbable in the event of it getting dirty.

There is a great deal more detail to the M.A.N. 280s than we have been able to examine here.

The cab for example, tilts in seconds to a full 60°.

The frames are all bolted in accurately pre-drilled holes, which not only gives a very strong frame but makes chassis repairs a relatively simple task.

Brakes have generous lining areas, that produce long intervals between relines.

Under-cab insulation is thorough indeed, making the cab arguably the quietest around; it was certainly the quietest of the 17 trucks that we've put through our European test programme.

Standards of fit and finish are superb throughout and, above all, it's uncomplicated.

There is no risk of the maintenance staff having a heart attack merely at the sight of the chassis for it's significantly cleaner and tidier than most.

Consequently, the immediate success in the operating arenas of Europe is not luck - the 280 won its spurs in fair and open combat?"



Buyers Queue Up.

"TRUCK" also interviewed Otto Voisard, Managing Director of M.A.N., pictured here.

This is what he said:

"Operators quickly found out that the 280 was not only the most economic M.A.N. they had ever encountered, but also more economical than virtually any other truck in the 36 to 38 tonne field.

Operational reliability also proved to be very good.

Thus, with low running costs, high utilisation, the annual tonne-kilometres available were higher by an unusually big margin.

And, on top of all that, unit cost was low.

Buyers continue to queue up.

Like it or not, trucks still have to be taken into towns and it's up to us, the truck makers, to ensure that trucks cause the minimum disruption to normal life.

The in-line turbo engine is a good

tool with which to do this.

We can tune it to optimum output and noise and emission suppression relatively easily.

Coupled with that the provision of a very flexible transmission enables the driver to use his truck in the best possible way."

Parts M.A.N. made.

Practically every part in an M.A.N. truck we make ourselves.

From the axles, almost down to the last nut and bolt.

And we have more than 50 years' experience in manufacturing automotive diesel engines with direct fuel injection.

M.A.N. and Volkswagen.

And now M.A.N. has joined forces with Volkswagen.

To give you an unbeatable range of trucks.

It's probably the greatest thing to happen to transport since the invention of the diesel.

Which, by the way we invented.

16.240 or 16.280? Talk to your Transport Manager.

In some respects, the choice between the M.A.N. 16.240 and 16.280 Artics is a difficult one.

These are both superb machines, but each is ideal for different jobs.

So consult your Transport Manager. He'll be able to advise which is best for your company's operations.

He'll know that the unmatched M.A.N. cab is standard on all vehicles in our range, to give the best driver environment in Europe.

The choice for him will be between the naturally aspirated 16.240 with its legendary reliability and lack of downtime and the turbo-charged 16.280 which gives that extra power for those long arduous hauls.

And since the "TRUCK" test we've actually improved our 16.280.

The gear shift is on the deck, not on the steering column.

And we've gone over the cab with a fine tooth-comb to make it even more comfortable.

Other models in the range have also received accolades from "TRUCK" magazine.

For example, the 30.240: "...an unusually quiet and refined big tipper.

Laden ride was first class, and even when pulling hard the engine was barely audible?"

MEMO

TO _____

FROM _____

To say an M.A.N. truck is a good investment for your company is an understatement. So do make sure you talk to your Transport Manager.

Or drop him a line on the above memo - and why not send the ad? But do it now.

Before you lose another 1/4p.



Joint venture will relaunch Triang

BY ROBIN REEVES, WELSH CORRESPONDENT
THE WELSH Development Agency and Morris Vulcan, a Midlands toy company, have reached agreement on a joint venture to relaunch part of the Triang Pedigree toy company.

Three-point plan for Port of London aid

BY LYNTON McLAIN
THE INSOLVENT Port of London Authority has produced a radical three-point plan for survival for the next five years.

Project launched for building new type of airship

BY NICHOLAS COLCHESTER
THE PUBLIC was yesterday invited to invest in the return of the airship as a means of air transport.

Joseph resolved to change 'culture'

By Our Industrial Editor
SIR KEITH JOSEPH, the Industry Secretary, yesterday set out his ambitions to reverse Britain's anti-business and anti-enterprise culture.

NEWS ANALYSIS—THORN'S U.S. EXPANSION

Systron-Donner deal is largest of company's recent purchases

BY JOHN LLOYD
THE \$27m (£12.5m) acquisition by Thorn Electrical Industries of the California-based electronics company, Systron-Donner, is the largest of the company's recent crop of U.S. purchases, and confirms the already-apparent movement towards the industrial controls, instrumentation and test equipment markets in the U.S.

company under the Thorn umbrella. In April, it was learned that Modular Computer Systems, of Florida, were in serious negotiations with Thorn of a possible purchase.

Granada acquires Paul Elek

BY ARTHUR SANDLES
GRANADA PUBLISHING, the books arm of the Granada group, has acquired Paul Elek, a privately-owned specialist publisher known for its activities in the arts, criticism and history.

Venture capital

Even the higher of these two figures will not leave the shipping group with control of Thermo-Skyships, for in addition to the 560,000 ordinary shares to be issued and the 90,000 already owned by European Ferries, the entrepreneurs behind the project hold a total of 300,000 deferred shares.

Parkinson sees car part exports chance in U.S.

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
THE EUROPEAN motor component industry would come under threat in the longer term from U.S. manufacturers, said Mr. Cecil Parkinson, Minister of Trade, yesterday.

Free enterprise

Recently it had become "more rewarding to be out of the business sector than to be in it."

Pension plans 5% inflation protected

Financial Times Reporter
FIVE PER CENT of company pension schemes surveyed by the National Association of Pension Funds for its 1978 report offered complete protection against inflation by linking pension rises to the Retail Price Index. This method is used on Civil Service and other public sector pensions.

Revenue from UK travel up by 18%

Financial Times Reporter
REVENUE FROM British residents travelling in the mainland UK was £3.1bn last year, an 18 per cent rise on 1977.

Petition to wind up Fulham FC adjourned

FINANCIAL TIMES REPORTER
A PETITION to wind up Fulham Football Club was adjourned in the High Court yesterday. It has been lodged by Financial and General Securities over the alleged non-payment of a debt on the club's new Riverside stand.

JOHN BARRETT AT WIMBLEDON

Three seeds crash on first day

AFTER A day of frenzied activity between the bowlers which delayed the start by 15 minutes and lost another 63 minutes in mid-afternoon, the 33rd championship meeting at Wimbledon ended at 9.20 pm last night with only 29 of the 64 scheduled men's singles completed, three seeds in the bottom half eliminated, and Jimmy Connors, the third favourite, left in mid-match.

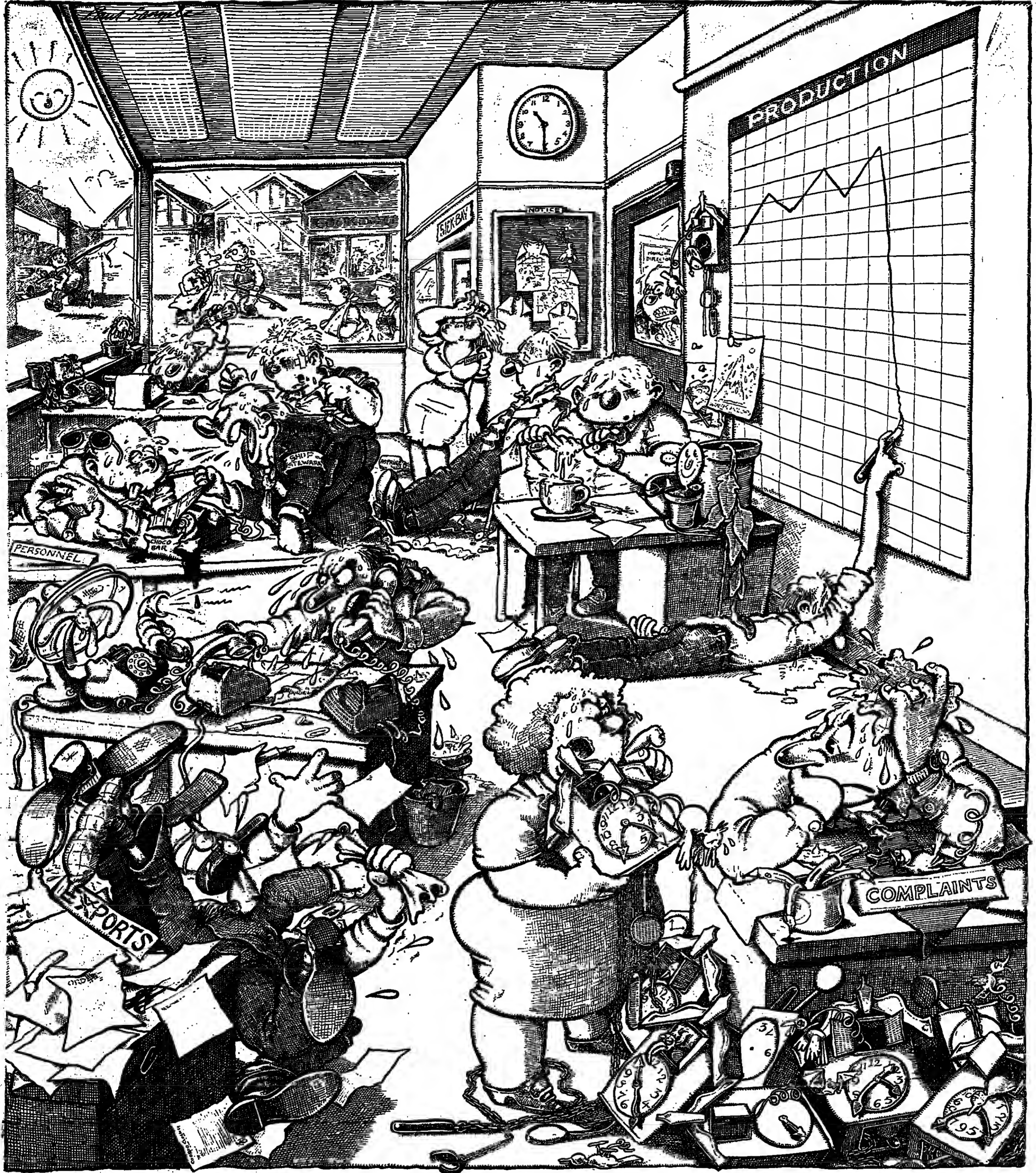
Gerulaitis simply could not rid himself of inhibitions and doubts. There was no weight on his shots. As he did recently in Paris after a severe beating by Borg, Gerulaitis refused to talk to anyone and left the club disconsolate in his tennis clothes.

Once again—and despite the miserable weather—the fans came thronging to the All England club in their thousands. There were 29,480 inside the ground yesterday, only 508 fewer than last year's first-round record. They seemed so thankful that the law had been passed, and surged around the exciting events that were taking place on the back courts.

《金融时报》之中国增刊
A FINANCIAL TIMES SURVEY
CHINA
AUGUST 20 1979

The Financial Times is preparing to publish a Survey on China on Monday August 20.
The main headings of the provisional editorial synopsis are set out below.
The political scene ★ The economy ★ The role of foreign trade ★ The planning system ★ Education and research ★ Agriculture and agricultural mechanisation ★ Industry and management ★ Steel ★ Coal and electric power ★ Oil ★ Mining ★ Chemicals and Petrochemicals ★ Transport ★ Heavy engineering ★ Electronics ★ Light industry ★ Construction and housing ★ Culture and the arts ★ Profiles of Chinese leaders ★
For further information and details of advertising rates please contact:
Simon Timmis
Overseas Advertisement Manager
Financial Times
Bracken House, 10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Ext 276
FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

Handwritten signature or mark at the bottom center of the page.



WHEN IT'S 82°F IN A HOT STUFFY FACTORY, IT'S NOT JUST THE WORKERS THAT SUFFER.

Your productivity plummets like a stone.
 Your accident rate soars.
 Your labour and customer relations take a fast turn for the worse.
 Exports take a dive.
 Quality control goes out of the window.
 And all because, on a sunny day, your normally happy factory has become a hot, weltering place full of irritable, hot-tempered workers.

It's a fact that industrial workers are happiest and most productive in a temperature of 60 to 72°F

In a badly ventilated factory, they first become dozy, then irritable, then absent-minded, and finally absent in body as well.
 Not only can Colt install ventilation systems that help to create healthier, safer and much more productive working conditions.
 We'll also ensure that whatever equipment you install doesn't strain your energy bill.
 We can show you how to clean and recycle contaminated air rather than expensively replace it.
 Remove hazardous fumes from individual working operations.
 Supply fresh air to cool the worker rather

than the whole factory.
 Revitalize the atmosphere with negative ions.
 And install special low-loss ventilators to minimise heat loss when winter comes around.
 If you'd like us to carry out a full survey of your factory, write or phone us right away.
 So that when the sun next shines, neither your workers nor your business will suffer in any way.
IF WORKING CONDITIONS ARE HEALTHY, BUSINESS IS HEALTHY TOO.
 Colt International Ltd. (Health and Safety at Work), Havant, Hants. PO9 2LY. Tel: (0705) 451111. Telex: 86219.

Price rise warning follows farm deal

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

CONSUMER organisations yesterday attacked the farm price deal agreed in Luxembourg last week for leading to substantially higher food prices in UK shops. The Consumers' Association described it as an "expensive disaster" while the National Consumer Council suggested that the deal would lead to a 20 per cent annual inflation rate. Mr. Jeremy Mitchell, the council's director, said yesterday that the "package of food price increases which the Minister of Agriculture brings back from Brussels will take money out of the pockets and purses of everyone in this country." He argued that the "Euro food mountains and lakes will get bigger" and that the cost of the EEC budget to the British taxpayer will go up. He added: "We are telling the Minister of Agriculture that we are dismayed at the effect his policies will have on consumers." At the farm price negotiations last week the green pound was devalued by 5 per cent but an £80m butter subsidy was allowed.

However, the Consumers' Association said that the agreement would not lead merely to higher shop prices. "It will mean that even more of the farm produce already in surplus will end up in the cold store, because consumers can't afford it or don't need it," said Dr. Bill Roberts from the association. "It's an expensive disaster, not only for the UK but for the whole of the European Community because of the excessive cost of maintaining an overblown common agricultural policy."

Problems warning on energy sources

BY DAVID FISLOCK, SCIENCE EDITOR

BENIGN and renewable energy sources could introduce new and substantial environmental problems, says a report by expert advisers for the Department of Energy. New problems include distortion of television pictures by high-speed windmills and disturbance by wavepower-generators to salmon and herring breeding. The study says that taking into account the relatively high investment in materials needed to harness it, and the dispersed nature of such installations, solar heat will show up badly against other energy sources in terms of deaths and injuries per unit of energy produced. The report was originally prepared by the Energy Technology Support Unit at Harwell at the invitation of the Commission on Energy and the Environment under the chairmanship of Lord Flowers. The Flowers Commission turned to coal as a more urgent subject of its first major national inquiry. Department of Energy estimates say that "benign and renewable" energy sources are not likely to account for more than 8 per cent of Britain's energy by the end of the century. "The Department is committed to spending nearly £16m on research and development into the energy sources examined in the report. Some of this is being spent on environment impact assessments. The biggest commitment, £6m, is to solar energy and to fuels from plants. At the level of the individual solar installation,

Motorcycle sales show 20% rise

THE INCREASED cost of petrol helped bring a 20 per cent rise in motorcycle registrations last month compared with May last year.

The greatest growth, according to Transport Department figures published yesterday, was in motor cycles of 50cc and under. Last month 7,121 were sold, compared with 4,867 in the same period last year. Sales of mopeds and motorcycles of under 50cc have been fairly stagnant in recent years, and the increase in sales is partly attributed to more people using them as a second vehicle for travelling to work. There was also steady growth in motorcycles of 50cc and over with 19,363 vehicles registered in May, compared with 17,193 in the same period last year.

Development certificates 'dangerous'

By Our Midlands Correspondent

INDUSTRIAL DEVELOPMENT certificates are "a dangerous irrelevance" which should be abandoned immediately, according to Birmingham Chamber of Commerce. In a memorandum to the Government the chamber urges a thorough review of regional strategy. It says: "We accept that the human problems of the less prosperous areas, such as the N.E. and parts of Scotland, require special treatment, but the most important point at issue is that this must not be at the expense of stifling economic development in regions such as the West Midlands and the S.E." The chamber suggests that the areas qualifying for regional aid should be restricted. "Regional incentive aid to companies should be on a more selective basis. It should be substantially restricted to those projects judged to have a fair chance of reasonable permanence without regular and long-term injections of cash." On industrial development certificates, the chamber insists that "it is wrong to attempt to strengthen the weak by weakening the strong." The positive support given to the assisted areas, coupled with negative devices such as IDCA, had adversely affected employment in areas such as the West Midlands and Greater London.

Cosway miniature sells for auction record

A MINATURE of Master Bunsby, painted in 1802 by Richard Cosway sold for £18,000 at Sotheby's yesterday, an auction record for the artist and for his 19th century English miniature. It was the highlight in an auction which brought in £133,783. The Victoria and Albert paid £8,500 for a miniature of around 1550 of Lady Katherine Grey, the younger sister of Lady Jane. It is attributed to the school of Levina Teerling. In the maps a Townbook of European Cities, a collection of 99 18th century engraved plans and views of cities of Europe, sold for £28,000, double its forecast, while a pair of massive samson's family rose "mandarin" halister vases and covers sold for £7,000.

SALEROOM

BY ANTONY THORNCROFT

Other good prices were £11,000 for a Meissen and Louis XV gold mounted snuff box, and £10,000 for a Meissen figure of a parrot also by Kandler, paid by Vandankar. The auction of Chinese export porcelain made £134,600. A pair of massive samson's family rose "mandarin" halister vases and covers sold for £7,000.

Pool buying cuts types of schoolbooks to 100

THE NUMBER of different types of exercise books in use in parts of the West of England and South Wales has been cut from 10,000 to about 100 since local authorities adopted centralised purchasing. This is one of the achievements of the Consortium for Purchasing and Distribution, based in Wiltshire, which acts on behalf of seven counties and about 40 local district councils.

Carter LTD.
OFFERS HIGHEST PRICES FOR JEWELLERY
Antiques and modern. Also antique silver. Immediate payment. Complete privacy ensured.
write, phone or call Carter LTD. 175 NEW BOND STREET LONDON W1Y 0QA 01-493.69.62

WHIRE AIR CONDITIONING
Offices, Shops, Restaurants, Factories
ANDREWS 22
01-648 6174
OR SEE YELLOW PAGES

UK second in chemicals turnover

BY SUE CAMERON, CHEMICALS CORRESPONDENT
THE TURNOVER of the UK chemical industry last year was greater than that of any European country except West Germany, according to figures published in the annual report of the European Council of Chemical Manufacturers' Associations—CECA. British chemical industry turnover was £28,605bn (£14.3bn) compared with the West German turnover of \$44.6bn (£22.3bn). Among EEC countries, France ranked third with a chemical industry turnover of \$24.889bn, followed by Italy with \$17.937bn, Belgium with \$9.985bn, the Netherlands with \$9.787bn, Denmark with \$1.641bn and Ireland with \$866m. Spain's chemical industry had the largest turnover—

Industrial nations urged to negotiate open world trading

BY OUR ECONOMICS STAFF

THE NEED for the major industrialised countries to negotiate their way through conflicts in national interest to an open system of international trade is put forward today by Mr. Edmund Dell, the former labour Trade Secretary. Mr. Dell, now deputy chairman of the Guinness Peat Group, argues that the problem is how to reconcile the inevitable mercantilism of nations (their search for economic security) with a desire to foster interdependence in the interests of peace and prosperity. He contends that it is impossible to preach away the natural protectionism of nations with economic arguments that are not standbys do not even persuade many economists. Mr. Dell's defence of his position on trade policy appears in the latest issue of the World Economy, the quarterly journal of the Trade Policy Research Centre. He favours "negotiating the preservation of the open international trading system. For that purpose, the UK needs to be strong, but it must understand as well the primary interest which other nations also have to their own security." "Nations give priority to economic security, not just a matter of self-interest, but as a matter of necessity. There are no reliable or benign automatic regulators which could operate in the general interest if nations abstained from intervention." Mr. Dell criticises economists who want "modified free trade," thereby preferring Government intervention in industries to action at the border. He says they are cheering on subsidies under the cover of arguments about economic distortions and private and social costs and benefits. The new issue of the World Economy also contains articles on the iron and steel industry, the enlargement of the EEC, and exchange rates and international liquidity. The World Economy, volume 2, No. 2, Trade Policy Research Centre, 1 Gough Square, London EC4A 3DE.

Big builders adopt new conduct code

BY ANDREW TAYLOR

A 12-POINT code of conduct affecting about 100 of the largest building contractors has been agreed in a move to improve the industry's image. It came into force yesterday. The code has been drawn up by the National Contractors' Group of the National Federation of Building Trades Employers. Members of the group face censure or expulsion from it if they break the code. Disciplinary measures against companies breaking the code can be taken only after a complaint by another member of the group. The terms of the code do not allow for complaints by the public or a client. The code requires that companies observe recognised tendering practices and "use every endeavour" to "complete contracts on time and within cost limits, and fulfil all obligations under contracts." It includes measures for improved safety and training in the industry, and calls for better industrial relations. Mr. Bill Lindsay, the group chairman, said: "This is a positive move, not a public relations exercise to meet some of the criticisms of the industry." The NFBE will monitor the working code to see if it would benefit other sectors of its membership.

U.S. companies increase investment in Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

AMERICAN-OWNED companies in Scotland have been increasing their exports by about £100m a year for the last six years, according to a Scottish Council for Development and Industry survey. Sales abroad by U.S. subsidiaries were £289m in 1972, but rose to £404m by 1978, an increase of 18 per cent when allowance is made for inflation. The survey also showed that the investment of the 161 U.S. companies in Scotland increased from £27m to £65m over the same six-year period, while turnover rose from £678m to £1.52bn. U.S. companies employ 84,300 people, 14 per cent of the Scottish manufacturing workforce, although this figure is only 1,700 more than in 1972. While there have been large increases in job numbers in the engineering and chemical industries, employment in electrical engineering and in the food, drink and tobacco industries has declined. U.S. manufacturing investment in Scotland, Scottish Council 1, Castle Street, Edinburgh, EH2 3AJ.

Scottish miners in move to halt coal imports

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SCOTTISH MINERS' leaders yesterday started a campaign against the proposal by the South of Scotland Electricity Board to import coal for power stations. The Scottish executive of the National Union of Mineworkers voted unanimously to oppose coal imports which it said would damage the development of the British coal industry. The executive also demanded that the oil-fired Inverkip power station on the Clyde should be mothballed. Mr. Michael McCahey, Scottish president of the union, said he would be asking Mr. George Younger, Secretary for Scotland, who is responsible for the Scottish electricity boards, to ban coal imports. If this failed, the union would call on the Scottish TUC and other unions to prevent coal being imported. He hoped it would not be necessary to ask dockers and transport workers to refuse to unload or move imported coal. Mr. Roy Berridge, electricity board chairman, said last week that he was negotiating for relatively small quantities of foreign coal to make up a shortfall in National Coal Board supplies.

Wandsworth prepares to cut law centres

THE Conservative-controlled London Borough of Wandsworth is preparing to axe three community law centres and replace them with a more centralised agency on a reduced budget. The proposal—which comes in the wake of a public campaign to stop the threatened closure of the centres earlier this year—is to be put to a committee set up to review the workings of the law centres today.

County hall plan scrapped

NORTHAMPTONSHIRE Council is scrapping plans to build a new county hall. Instead, the council headquarters in Northampton will have a £1m extension.

Engineering delegates may vote for overtime ban

BY NICK GARNETT, LABOUR STAFF

DELEGATES to the Confederation of Shipbuilding and Engineering Unions' annual conference will vote today on how the national pay dispute in the engineering industry should be pursued. Union officials said yesterday that it was almost certain that a motion calling on all the Confederation's 18 affiliated unions to start a national overtime ban and series of one-day strikes would be passed. A meeting of confederation leaders in Llandudno decided yesterday on three options. The first is a motion from the Amalgamated Union of Engineering Workers seeking a further meeting with the Engineering Employers' Federation to secure in full the original claim of minimum time rates, a phased reduction in working hours, two extra days' holiday and a common operative date of April. If this is not met, affiliated unions would be requested to call the overtime ban and one-day strikes. Union officials believe this has the strongest chance of being passed, since the AUEW has about one-third of the confederation's affiliation. The second option, an amendment put by the Sheet Metal Workers' Union, supported by the Transport and General Workers, seeks the implementation of the full original claim, which involves a further extension of holidays and fringe benefits not included in the AUEW proposal. Under this proposal, if the full claim was not conceded, action as laid down in the AUEW motion would be called for. The third option, an amendment put by the Electrical and Plumbing Trades Union, calls for the acceptance of compromise proposals. This appears to have the best chance of being supported. Conference delegates will vote on whether the motions should be put to a ballot of the full membership. It is unlikely they will vote for a ballot but instead will decide National negotiations with the EEF affect directly the pay of more than 1m engineering workers in an industry that has a two-tire wage structure. The original claim was for an £80 a week national minimum rate for skilled workers with proportional increases for other grades. The employers' offer is an £8 increase on the national minimum craft rate, from the present £80 to £88. The compromise proposals supported by the EPTU would involve a new skilled rate of £70 with a common April implementation date.

Railway workshop men accept 15% average pay settlement

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL'S 50,000 engineering and maintenance workers, who staged a series of one- and two-day unofficial strikes over pay earlier this year, have agreed a pay settlement giving average pay increases of 15 per cent. British Rail and officials of the National Union of Railwaymen, main union for workshop staff, hope that it will help staff off an acute shortage of skilled workers which has caused delays and disruption to services. The complex deal, estimated to add £30m to wage costs, adds 9 per cent to basic rates, and consolidates £2 of an outstanding pay policy supplement from the settlement date of April 23 this year. The remaining £4 of the settlement will be consolidated from April 21 next year. The bonus normally generated from these increases will be applied instead to basic rates to give a further increase of 4.1 per cent. The unions were concerned in pressing their "substantial claim" for the shopmen to cut bonus levels, which were at 45.3 per cent of basic rates since sickness or other absences could cut earnings sharply. The gross bonus under the agreement will be £7.3 per cent of the full basic rate, and a further amount equal to 2 per cent additional in basic rate will be transferred from the full bonus. Improvements include more holiday pay, with minimum earnings level of £55.50 for staff over 18; increasing London weighting allowance from £350 to £382; and a review of the whole pay structure of shopmen. Grade 4 shopmen's inclusive basic pay, with the supplement, will rise from £53.40 to £54, an increase of 15.10 per cent; Grade 3 from £51 to £58.35, a rise of 15.3 per cent; Grade 2 from £48.40 to £55.80, a rise of 15.2 per cent; and Grade 1 from £45.60 to £52.50, a rise of 15.10. Officials at the NUR annual conference at Paignton yesterday expressed firm opposition to plans being considered by Mr. Norman Fowler, the Transport Secretary, to cut 2,000 miles of local lines. Mr. Sid Weighell, general secretary, said that the clamour for cuts in public expenditure was making hundreds of miles of railway vulnerable. "It would be suicide for any Government to make cuts of this sort," he said. "But if that is what they have got in mind then they are going to have a fight on their hands." He said in his annual report that the full strength of the union would be used if necessary to support its idea of public transport as a service to the community. A continuous campaign must be maintained "if another Beeching-style programme was to be foisted on the rail unions." The Associated Society of Locomotive Engineers and Firemen passed a resolution at its conference in Torquay calling for substantial pay increases for its 26,000 members.

Air traffic men pledge to work on

By Our Labour Staff

AIR TRAFFIC controller members of the Institution of Professional Civil Servants said yesterday they would not take part in any further industrial action in the current civil servants pay dispute, and regretted any inconvenience their action caused last Friday. Mr. Doug Bush, the controllers' branch leader, said his general purposes committee was "not prepared to take any further industrial action during the current dispute." The Ministry of Defence was the Government department most affected yesterday by the IPCS action. Production at three Royal Ordnance factories at Bishopclee near Glasgow, at Chorley Lane and at Radway Green, near Crewe, was hit by the indefinite strike of 64 IPCS members. Some industrial workers at Bishopclee had to be laid off. The boilerhouse at Chorley was not working because of the dispute and the factory is now unable to handle any new production. It is concentrating on processing stock.

Plea to BL workers on incentive scheme

BY OUR OWN CORRESPONDENT

A PLEA has been made to BL employees to accept a new incentive scheme. They have been told that its implementation before the summer holiday would be "a tremendous boost to our efforts to win further support." The car company's employees have also been warned that the Government "will be taking a long hard look at us and our performance." Sir Keith Joseph, Industry Secretary, will soon be told of the company's product plan and letters to the employees stress that the funds needed are considerable. "Never has it been more important for all of us to demonstrate that we are doing everything within our power to ensure that this company succeeds." The new scheme will enable workers to earn more through increased efficiency. It is designed to take over where the pay parity scheme leaves off. The troubles were caused by a proposal by a committee at Pressed Steel Fisher's factory in Swindon that press operators are expected to meet later this week when their stewards have completed negotiations. Union negotiators at both Chrysler plants in Coventry rejected a 13 per cent increase. They are seeking wage and other improvements worth more than 20 per cent. Meeting over strike action will be held and the first is fixed for today for the 2,000 Ryton assembly workers. The Swindon that press operators are expected to meet later this week when their stewards have completed negotiations. Road, Chiswick, was dismissed on April 4 for alleged gross misconduct. Mr. Collingridge who had worked for the council for 16 years, was told he had leaked confidential information. He said he was unaware of what information he was supposed to have divulged and was not told by the council. The industrial tribunal ordered that Mr. Collingridge should be reinstated after August 5 and paid £891.15p plus a backdated pay award in lieu of salary he had lost.

Dental Council ordered to reinstate sacked man

THE General Dental Council is considering an industrial tribunal order to reinstate Mr. Tom Collingridge, its assistant registrar, who was dismissed in April for allegedly leaking confidential information. The council was considering the position following a reinstatement order by a London industrial tribunal yesterday. It gave no evidence over the sacking and its counsel, Mr. Colin Meckay, told the tribunal it was a case for compensation not reinstatement. Mr. Collingridge, of Park

Scots bank staff demand referred to ACAS

A DISPUTE over wage bargaining involving the three major Scots banks and the Association of Scientific, Technical and Managerial Staffs has been referred to the Advisory, Conciliation and Arbitration Service. Earlier this year, ASTMS asked the Clydesdale Bank for separate bargaining rights, following the results of a ballot which showed that 56 per cent of Clydesdale's staff were in favour of separate bargaining. However, the union claims that compromise proposals on a bargaining structure which the Clydesdale was to have produced last week have not been forthcoming. It says that the other two banks—the Royal Bank of Scotland and the Bank of Scotland, with which the Clydesdale presently negotiates jointly on wages for the three banks' staffs—have vetoed any compromise plan.

Jeffrie

UK NEWS—PARLIAMENT and POLITICS

Government curbs 'watchdog' powers

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

PROPOSALS TO set up 12 new 'watchdog' select committees to monitor the activities of individual Government departments were hailed in the Commons yesterday by Mr. Norman St. John Stevas as "the most important Parliamentary reforms of the century."

For the Opposition, Mr. Merlyn Rees, the shadow Home Secretary, who is also Labour spokesman on procedure, gave a similar undertaking about the attendance of Ministers.

Nevertheless, many MPs were disappointed that the two major parties had not endorsed the recommendation from the procedure committee that the committees should have a clear legal right to order the

judiciary and the confidentiality of communications between them and the Lord Chancellor, he maintained.

Ministers will refuse to attend a committee to answer questions about their department or that they would not make every effort to ensure that the fullest possible information is made available.

Tories move to retain pay beds

BY COLLEEN TOOMEY

THE GOVERNMENT made its first move yesterday to retain most of the remaining 2,518 pay beds in the National Health Service. It announced its intention to repeal Labour legislation to phase out pay beds.

Press threatened with law to end trial payments

BY RICHARD EVANS AND IVOR OWEN

PAYMENTS by newspapers to witnesses in criminal trials should be stopped by one method or another, Sir Michael Havers, the Attorney-General, declared in the Commons yesterday.

It had been quite an exceptional case, Mr. Havers had asked not to be considered by the DPP because Havers had been a Parliamentary spokesman and the case had a serious political significance.

'Substantial' Companies Bill planned

BY IVOR OWEN

A CONSULTATIVE document on company accounting and disclosure will probably be published by the Government before the end of next month, Viscount Trenchard, Minister of State for Industry, disclosed last night.

He explained that several of the more important proposals were being re-examined in the light of the recent reports by Department of Trade inspectors into the affairs of Peachey Property Corporation and Dowgate and General Investments.

He described the failure to deal with insider dealing as the "most important omission."

Lord Trenchard cautioned peers not to rush into hasty conclusions about the commission of the definition of "proprietary company" from the Bill—a definition inserted in an earlier version of the Bill by Conservative MPs when they were in Opposition.

He also drew attention to the importance of the provision which makes it a new criminal offence for private companies to offer their shares and debentures to the public.

Council to buy

NOTTINGHAM CITY Council, which sold more than 5,000 council houses in three years of Conservative rule, has decided to buy back where possible.

PETROFINA Société Anonyme Summary of the 1978 Annual Report. Includes a table with financial highlights for 1978 and 1977, and a report of the Board of Directors.

Callaghan balances Left and Right

BY ELINOR GOODMAN, LOBBY STAFF

MR. JEFF ROOKER, joint author of the Rooker-Wise Amendment to the 1978 Finance Act and a persistent critic of the last Government, was one of several younger backbenchers promoted yesterday to the Labour front bench.

Mr. Callaghan was announcing his final appointments to the shadow team.

Mr. Ian Wigglesworth, one of the most active members of the Manifesto Group, was one of 12 people elected to the shadow Cabinet two weeks ago.

Dispute hits money control plan

BY ELINOR GOODMAN

INDUSTRIAL ACTION by staff at the Labour Party's headquarters yesterday hit plans by left wingers on the executive to wrest control of the money paid to Labour in Opposition.

The dispute which seems likely to hit the full meeting of the executive tomorrow therefore, saved Mr. Callaghan from the embarrassment of either publicly refusing to accept the executive's decision or having to reach some compromise.

Mr. Callaghan has already appointed the research team to advise the party in opposition, and the delay may make it even more difficult for the executive to persuade him to change his mind.

'Angel of Death' visit alarms Clydeside

BY OUR PARLIAMENTARY STAFF

THE VISIT of Sir Keith Joseph, the Industry Secretary, to Clydeside had been described as "the passing of the Angel of Death" a Labour MP claimed in the Commons yesterday.

Government recognised the anxiety in the shipbuilding industry over its future.

Labour MPs pressed Industry Ministers for a statement of Government policy on the future of British Aerospace, and enterprises supported by the National Enterprise Board.

Mr. Butler said the Government was still reviewing the position of these organisations, and a statement on its intentions would be made as soon as possible.

Handwritten signature or mark at the bottom of the page.



While others were assessing the damage, we were paying for it.

On the morning of January 11th 1978, you might have been forgiven for mistaking the streets of Sheerness for Amsterdam or Venice.

After a night of near hurricane force winds and waves as high as houses, the East Kent coastline was, quite simply, blown to bits.

In the light of this thirty mile trail of devastation, it became clear to us at Commercial Union that there was only one way we could be of real help.

Not with tea and sympathy. Or vague promises of compensation.

But rather, by agreeing to claims immediately. On the spot.

Now, it's not every day you'll find us popping in on policy holders, with a view to popping a cheque in the post.

After all, like any other insurance company, every claim we deal with involves certain formalities.

There are details to be noted down. Policies to be checked

out. Assessments to be made. And so on.

A process that can take anything from five minutes to five months. Or even longer.

Speaking for ourselves, we prefer to simplify the paperwork, for the sake of a speedy settlement.

Which is precisely how we coped with the mopping up of East Kent.

On January 12th, with the storm damage barely a day old, we set up an emergency claims centre in Canterbury.

Within two working days we had our own team of claims inspectors out and about on the waterways, personally totting up the cost of repairs.

In all, we paid out £115,000 from just one branch, to more than 400 policy holders.

So they could start rebuilding their lives, while others were still getting estimates.

We won't make a drama out of a crisis.



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LOREN

Jason Crisp talks to the managing director of a small Scottish company who every two years stages spectacular events like this Thursday's fashion display at Leeds Castle

A castle, a princess and Mr. Packer

LEEDS CASTLE is one of the most beautiful sites in the north of England. It has been used for many occasions, including the Middle East peace conference in 1977.



Profile

On the occasion of the castle's 500th anniversary, the attraction was that it was not to be violated by journalists or other intruders. The summer months had been used for reasons as the venue of the European Ministers' conference.

And there will be champagne for all. This enterprising venture, which will cost around £200,000, is being staged by a small Scottish company employing less than 200 people, and with a turnover of £3m.

Two years ago, was a midnight show at the Palazzo Pesaro in Venice. Previous ones ranged from Glenglass in Scotland to pre-civil war Beirut.

Behind these remarkable events is the extrovert John Packer, the 44-year-old managing director of Reid and Taylor and also, almost inevitably, marketing director of ATC. You would be unlikely to think of him as someone who ran a small Scottish textile mill.

It almost goes without saying that Packer dresses with impeccable style—your scribe, while having taken the precaution of wearing his best suit, still looked like the unfortunate in one of those old Moss Bros ads alongside him.

It is not untypical of him to say: "Don't you dare call me dapper... In fact there are three words I would hate you to use. One is 'dapper' and I object to being called 'elflike'." (Why anyone should consider him elflike is unclear). He goes on: "Nor would I want you to describe the event at Leeds Castle as being an 'extravaganza' because it suggests overspending in a tasteless sort of way."

The newspapers, when a shaft of sunlight shined over his shoulder suddenly caught an advertisement in the classified columns. "The managing director of a textile company making outstanding cloth wanted an assistant with knowledge of textiles who was fluent in French and German."

It was, he says, an almost perfect description of his talents. Upon being demobbed he became assistant to Robbie Scott-Hay, the then managing director of Reid and Taylor. It was Scott-Hay who is claimed to have introduced the "thematic" approach to cloth design—a ploy which has since been adopted by many other textile manufacturers.

ample television and Press coverage and the plane flew to Brussels, Milan, Munich, Düsseldorf and Copenhagen, the tiny Scottish company becoming the centre of attention at every stopover.

Since then the "events" to launch Reid and Taylor's new lines of cloth have become more splendid and more dramatic. Packer's own involvement with them is all-consuming. He dreams up the theme, he chooses the place, he names the scenes, he chooses the designs of the clothes, and so on, supervising down to the smallest detail, demanding that everything is "exactly right" and "just so."



John Packer at his suite in the Ritz

But while he may enjoy the drama of it all, it would be wrong to forget its sound commercial logic. For a small company at the top end of the market it is a most effective form of promotion. Not only will Thursday's gala at Leeds Castle attract publicity, it will also provide a memorable association in the minds of the company's 1,000 guests and—providing disaster does not strike—also a favourable association.

Management training—an emerging invisible export

THE INCREASINGLY competitive nature of international management training, Britain is emerging as a popular choice. As a result of a newly formed link between the major training organisations...

Now, with contributions to the council of £200 a year, they receive a limited marketing service, with the assistance of the British Overseas Trade Board, the British Council and Embassy posts.

The cost of courses ranges from around £300 to as much as £3,000 for a full academic year at one of the major business schools, and perhaps surprisingly there has been a strong response from the United States, and from other European countries.

There is also a considerable flow of trainees from Third World subsidiaries of British companies, which see the benefit of improving the capabilities of local management, particularly where there is pressure for more involvement of nationals.

Mr. Richards' view is that while Britain may not have been too successful recently in the export of manufactured goods, its ability to sell services abroad has never been better, and that management education should be vigorously marketed.

And most participants feel there are dangers of conflicts of interests in expanding the scope of the council and bringing members closer together. Although no regional management colleges have joined, there is thought to be some benefit in links with industrial training boards, creating cross-fertilisation between state and private enterprises.

Celebration Cabaret Season
mark the 50th Anniversary of London's Grosvenor House

S.B.M. Monte Carlo and Grosvenor Theatrical Productions Ltd. in association with Robin Coupage present

LENA HORNE and COUNT BASIE AND HIS ORCHESTRA

TOGETHER IN THE UK FOR THE FIRST TIME

limited Season July 17th - 21st 1979

Great Room, Grosvenor House, Park Lane, W1

Box Office 01-629 0591

PLEASE SEND DETAILS OF GROSVENOR HOUSE CABARET SEASON

NAME _____

ADDRESS _____

SEND TO BOX OFFICE CABARET SEASON, GROSVENOR HOUSE, PARK LANE, LONDON W1

IF YOU HAVEN'T GOT TIME TO LEARN A FOREIGN LANGUAGE COME TO US.

BERLITZ
Since 1878

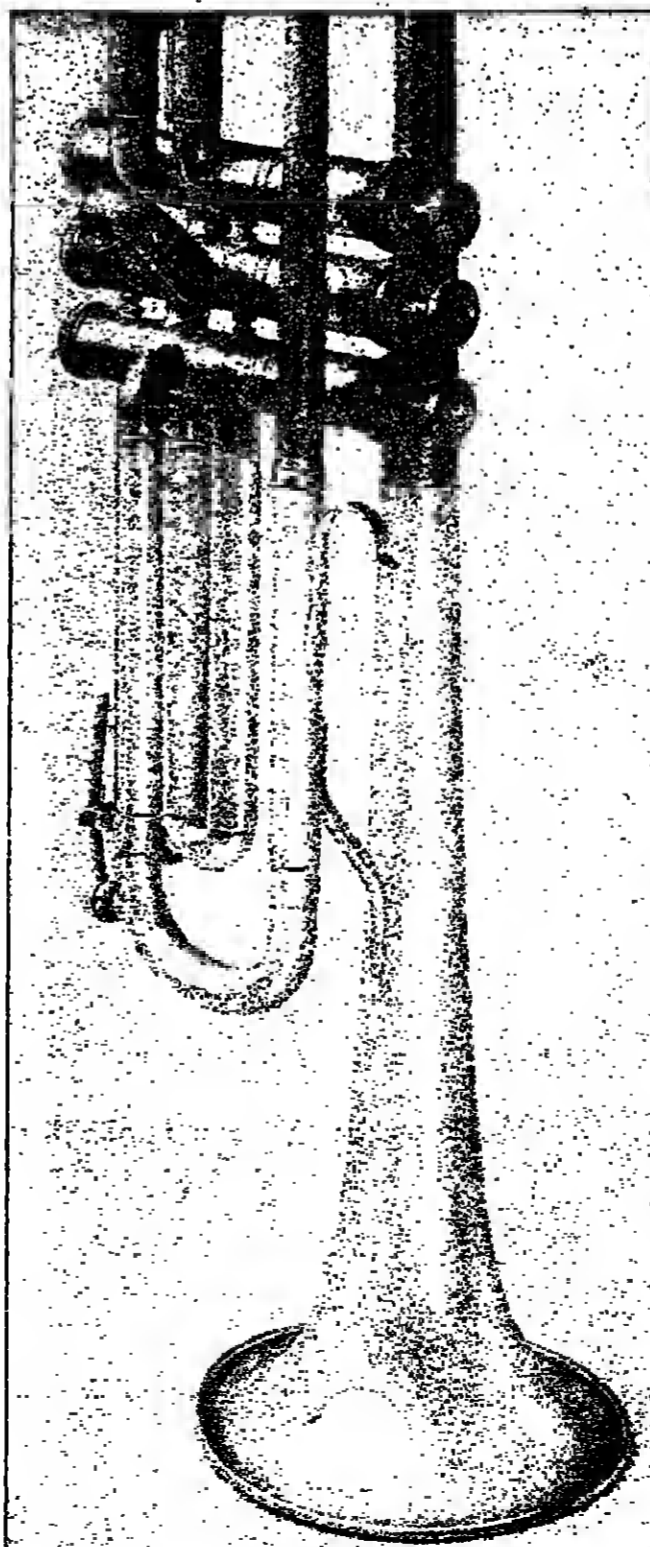
TOTAL IMMERSION CENTRES

LONDON: Tel: 01-488 1831; CROYDON: Tel: 01-885 8282;
LEEDS: Tel: 0534 35536; MANCHESTER: Tel: 061-228 3507;
BIRMINGHAM: Tel: 021-645 4334; EDINBURGH: Tel: 031-228 2877.

At Berlitz our exclusive Total Immersion Programme puts you in command of a new language in just two to six weeks. Why not telephone us today for an appointment. You'll be speaking a new language faster than you ever thought possible.

BERLITZ. LANGUAGES MADE TO MEASURE.

Why our name is music to the ears of industry.



Half the trumpet pictured here has been satine polished by a process which is attracting a great deal of attention throughout industry. It's called Vaqua; a wet blast process which has been pioneered by Abrasive Developments Limited. The process applies a controlled high volume flow of water and abrasives to clean, recondition, finish or even decontaminate almost any material or object. But behind this one example of a company's success, there lies an even larger success story. Abrasive Developments are part of the growing Unicorn Industries Group. And all the dozens of companies worldwide which currently make up the Group are likewise specialists in a particular field of abrasive technology. Abrasives may not sound all that prepossessing, but you'd be surprised how essential they are; to industry, and therefore to all of us. Whenever materials need to be smoothed or shaped, cut or cleaned, Unicorn's mastery of this sophisticated technology is needed. That's why we're optimistic about our future prospects as a group. Because there's every reason to suppose that people are going to go on wanting cars, cookers, pens, aircraft, glasses and all the other things our expertise helps to process or manufacture. So it's no wonder that our name is music to the ears of industry.

Abrasive Developments Ltd.
Part of

Unicorn Industries

Shaping the future worldwide

For further information about Abrasive Developments Limited and other Unicorn Companies please complete this coupon and return it to the Group Marketing Executive, Unicorn Industries Limited, Castle Hill House, Windsor, Berkshire SL4 1LY.

Name _____

Position _____

Company _____

Address _____

Guinness Peat Aviation is honoured to be appointed by Irian Air, the Iranian National Airline as agent to offer the following aircraft for sale or lease.

ONE BOEING 747-200B OR 747 SP	FOR LEASE
ONE BOEING 747-200B OR 747 SP	FOR SALE
TWO BOEING 747-100B	FOR SALE OR LEASE
ONE BOEING 707-320B	FOR SALE
TWO BOEING 727-100	FOR SALE

Guinness Peat Aviation, Shannon Airport House, Shannon, Ireland. Telephone: 061-61088. Telex: Shannon 6285 SITA SNNGAZ1

THE ARTS

British Museum

Medals: the mirror of history by ROY STRONG

The Medal, Mirror of History is the first exhibition devoted to the medal from its re-invention in the renaissance to the present day that I can ever remember. It is a marvellous and neglected subject and a very difficult one to do in exhibition terms without giving in to introducing photographic blow-ups which distort the medal's true intent. The essence of a medal is after all to handle it in the palm of one's hand, to contemplate the countenance of the sitter, and turn it over to read the message on the reverse. There is something immensely satisfying in fondling a medal, moving it so that it catches the light, thus animating the features and sculptural content. Twenty years ago when I was taught about the renaissance medal as a student at the Warburg Institute was one day taken over to the Victoria and Albert Museum and all lined up outside the door to the Department of Architecture and Sculpture. A member of the staff issued hearing a medal which was solemnly passed from hand to hand along the line. It was brief handling but one which I will always be grateful for, because it brought home to me all that the medal represented to the dynamic society of renaissance Europe, its cult of antiquity, the individual, of immortality achieved by means of art, its love of obscure and riddling emblematics. All this sat in the palm of my hand for a brief fleeting moment.

draw the informed eye in on to the objects themselves. And how marvellous they are! How often we forget that some of the greatest of portrait sculpture is embodied here in these tiny objects. Pisanello with his joyous frieze of early renaissance heroes and heroines; Sigismondo Malatesta, the village of Rimini, tight-lipped, his face composed like some African tribal head; the Greek Emperor, John VIII Palaeologus, whose angular odd hat, which created a sensation at the time, was to reappear in so many Florentine frescoes, or the lady Cecilia Gonzaga with her fancifully shaggy yak-like unicorn.

Four hundred years later d'Angers and Legros in the France of the Romantic movement exhibit the same vitality of characterisation as they drove a path rejecting academic banality, sculpting their sitters with a rugged bravura that embodied the movement's belief, parallel to that of the renaissance, in man's unique powers of self-determination and achievement. The medal within the European tradition is fundamentally about people and posterity. Its motivation is a belief in immortality, that when all that is transitory has perished, that when the flesh and bones have fallen into dust, the features will live on to gaze out from the metal's surface upon eternity. And so the medal was born with all this in mind as deliberate revival of an antique form at the court of the Lords of Carrara (where Petrarch, who collected antique coins, had passed his old age) in the year 1390 when, to commemorate Francesco Novello's capture of Padua, the first renaissance medal was struck, based inevitably on a Roman coin.



Royal Humane Society medal by William Wyon

medal is made up of an obverse which bears the portrait image and a reverse which conveys a message in a wide ranging variety of symbols, both of equal importance. I very much doubt if one could find truer portraits than those by the sculptors of the early German renaissance. Untouched by the idealising tendencies of their Italian contemporaries, they duly record the visages of the rulers and officials of Dürer's world wars and all. Overweight, coarse and mostly downright ugly, they stare out at us quite unashamedly. Equally unpromising although more subtle and refined are the likenesses by Germain Pilon who applied the sinuous elegance of the School of Fontainebleau to render the lumpen face of Catherine de' Medici with its inscrutable and relentless eyes or, at his very greatest, René de Birague, a wily, careworn,

official to the beleaguered unhappy Valois dynasty. And it is only when style overcomes the individual that we are given too much the lie. Neoclassicism enables Wyon, whose medals are beautiful, to idealise George IV in fabled middle age as a chubby curly haired Apollo. The reverses often present superb instances of bas relief sculpture in miniature regardless of what to us may now seem obscure visual language. To cite Wyon again (and doesn't his work make one realise how tragically underestimated British neoclassical sculpture is) the reverse of his Cheselden medal, depicting a

nude male body laid ready for dissection, rivals the best of Thorwaldsen as a supreme instance of neo-classical form. Art Deco medals offer similarly pure expressions of a new and short-lived style whose purity of imagery was cheerfully able to assimilate radios, cars, telephones and aeroplanes. Beyond this the reverses celebrate long-vanished aims and aspirations. They could express in alabaster allegorical form the ideals of an individual, such as the shambling elephant who protrudes the chastity of Isotta degli Atti.

There is a lot missing from this exhibition which could have given it more dramatic impact and popular appeal. The portrait of Roettier, the medallist, alone represents what could have been a series of pictures not only of the medallist but of medals both worn or amidst the still life of a cabinet. And the social setting is totally ignored: the collector's cabinet, for example, in which these were studied. There are also no books of emblems and devices, that quarry upon which these images depend. The reverses take us into the heart of the renaissance and baroque psyche in which the emblematic tableau, whether in the form of a painting, a pageant, a masque or a medal, was a means of communication midway between the written and aural. For over two hundred years this had a tremendous vitality strengthened by the hermetic tradition which was only to be vanquished by the advent of Reason. This exhibition is not as its subtitle proclaims the medal as a Mirror of History. It is the medal as portraiture and as sculpture. And it is in this abundance and richness that we can most happily bask.



Rod Beattie as Bolingbroke and Nicholas Pennell as Richard II

ford, Ontario—2

Richard II in two parts

by B. A. YOUNG

Is only one Shakespeare the first month at the more conventional theatre, the Avon — II. It is being used in production directed by Zoe to display some of the members of the company. Richard and Bolingbroke differently cast pieces were given in the first month. I saw two, have seen all three, and a second look at about's Lost. In the missed, Richard was by Stephen Russell, in Henry IV, and by Craig Dudley, a ober of the company.

umerle (Lorne Kennedy, very good), and Aumerle stealthily puts an arm round his waist. Both the Richards I saw did this. Nicholas Pennell and Frank Maraden, so it is evidently director's business. Nicholas Pennell is a truly aristocratic Richard, but his easy relaxation in private, sitting on the floor among his counsils, hints at his ready submission at Flint. The divine right of kings is taken off and hung up as it means trouble; but as long as it is there, it is there in force. The dreadfully pathetic speeches at Flint are beautifully done. Rod Beattie plays Bolingbroke, a little dark, gipsy figure, wild with ambition, not an enemy I would want to make; the sacred balm must have fizzled as he was anointed King.

have been casting changes since then: Donini Elythe now plays Gwendolen, quite splendidly, and a beautiful match for Maraden's appealing Cecily, who is able to drop sugar into a cup of tea more expressively than anyone I ever saw. Algernon is now played by Barry MacGregor, an actor with a wide, easy-going face ideal for a playboy younger brother. Unchanged is William Huff, who plays Lady Bracknell with an absolute absence of camp and an exemplary ability to extract its full content from each line. "A handbag" has now become as crucial a line as "Kill Claudio." Mr. Huff precedes it with a 10-second pause in which he lowers his head slowly in a series of small movements each one of which earns an individual laugh from the house. His entry in the last act, like the statue of the Comendatore in Don Giovanni, the single feather in his hat quivering with indignation, is something to remember for ever.

novels seem to be made orial purposes only. Act 4 the Bishop is for treason and the Westminster is told to off, they move from up down left, simply to answer Bago's charges, as they cross in front of (if Bolingbroke is th their backs to him, an Northumberland has trying to get Richard's list of crimes and d upstage with his back dance. Aumerle moves ctly equivalent position their side of the stage. g their backs on the God's substitute, his he anointed King — is only eccentricity the unit. They address him, another through the their heads in order the picture right. Only condemned cell at where Richard stoothy the halberdiers of expedition, is there more an is needed to change a frame to the next.

Among the smaller parts I liked Michael Totzke as Henry Percy, who moves with grace and speaks undisguised Canadian (he is a local boy) with music and clarity — one of the special dividends of this Festival. It seems to me, for I have always urged that we should have more chance of hearing North American players in classic parts. Without meaning to attribute any more importance to Mr. Totzke than his merit deserves, I can take him as a symbol of one of Stratford Festival's particular virtues: for here is a young actor with a talent for Shakespeare and an eagerness to play it, and where in Canada, or in the U.S. either, is he to play it in first-class productions if not here? There are a number of young players in the company, and on them will lie the responsibility for ensuring that there is a good Canadian tradition for Shakespeare in the future.

The other plays at the Avon this month are all non-Shakespearean, and two of them are held over from previous festivals. The Importance of Being Earnest, under Robin Phillips's direction, first appeared in 1975 and was shown again two years ago. There

Christ Church, Spitalfields

Spitalfields lives! by NICHOLAS KENYON

Christ Church, Spitalfields, is 250 years old. Not a remarkable anniversary, one might think, but as Gillian Darley pointed out in her Architecture column here during March, Hawksmoor's church is "one of the absolute masterpieces of British architecture." It is one of the select group built as a result of the ambitious Tory, High Church-inspired Fifty New Churches Act of 1711. Money, and sublime confidence in the power of churches to inspire devotion to both God and the state, quickly ran out; but not before Hawksmoor, Thomas Archer and John James had produced a worthy baroque equivalent in the then suburbs of Wren's renaissance group of City churches.

Hawksmoor's church in its anniversary year is a symbol as well as a great piece of architecture. Until recently it was decaying in a decaying part of the East End. Unused, it might well have been demolished (though its crypt was a valuable refuge for alcoholics) — as might much of the surrounding area,

to the search for more profitable use of land so close to the famous market. But enthusiasts have taken up its cause, we have reported on this page the establishment of the Friends of the church, and on early concerts held in primitive conditions in the bare nave of the building. Now, a full-scale restoration is about to begin: £180,000 is in the bank and work has already begun. On Friday, when the 250th anniversary Festival began, those of us who remembered the church from the first meetings there could marvel at the orderly rows of seats, the warmth, the newly-revealed East window and South door, and the superbly sensitive lighting of Hawksmoor's interior.

Bush

Last Resort by MICHAEL COVENEY

One of the strange things about our fringe or alternative theatre is that it is rapidly draining the term improvisation of its real meaning and co-opting it to the veneer of a science. A play "devised and directed" by Mike Leigh or, in this case, by Sarah Pia Anderson, is not an improvisation at all but a play written in rehearsal. The inevitable fahleness of this approach to theatre can be seductively offset by the evocation of a strong initial situation and the determination of an actor, through character portrayal, to exploit it.

I do not think that the genre is particularly healthy or liable to result in great work, but I am prepared to concede its transient freshness. Miss Anderson and her designer, Geoff Rose, have conjured a deodorised health farm somewhere in Berkshire.

where muzak seeps through the azure curtains of the breakfast room and hovers around the artificial flower arrangements. There are five inmates: a gloriously fat lady teacher of mentally retarded children; a beanie record salesman with a lantern jaw; a housewife in early middle age who speaks in sad morningside vowels of her dislocation from her husband's career and social life; a slow-witted junior executive whose greased hair ostentatiously parted immediately above the left ear. Mr. Morrison has all the best

Are business lunches good for business? If a lunch can be good for business, then a very good lunch can be very good for business. This stunningly simple observation has led the people at the Four Seasons Room to create and serve consistently superb food between the hours of noon and three for several years. The Four Seasons Room is the pride and joy of what is probably London's loveliest hotel, the Inn on the Park. As such, it has established itself as unquestionably one of the finest restaurants in Europe. Here, amidst the elegance of a bygone era, you can choose from a list of over 200 fine wines and a menu that changes, naturally enough, with the four seasons. You will find the Four Seasons Room very good for lunch and very good for business.

Europe's biggest, most comprehensive word-processing event. INTERNATIONAL WORD PROCESSING EXHIBITION AND CONFERENCE. Wembley Conference Centre, 10-13 July. 09.30-17.30 hrs daily. (Closes at 16.00 hrs on 13th.)

Inn on the Park. Hamilton Place Park Lane London W1 Tel: 01-499 0888

Development and trade

NEWLY industrialising countries are seen by many in Europe as a major threat to their own economies and employment prospects. Last week the OECD produced a valuable report aimed at dispelling some of the myths about their impact on world trade. The most striking fact about the ten countries that the OECD labels as Newly Industrialising Countries (NICs) is that they have been large net importers from the developed world. Only the United States and Canada have net trade deficits with the NICs. And as the NICs exports have grown, their imports have grown in volume terms, even more rapidly. Up until the present there is no question but that the industrialised countries have benefited from trade with the NICs, even if some of the workers and businesses who have got stuck in the least productive sectors of the industrialised economies have lost out.

Dislocation

The painful economic dislocation that the world has suffered over the past five years owes much to disparities in competitive positions among the OECD countries themselves, and little to the developing countries. Yet persistently British industries, from footwear to electronics, complain about low-cost competition from developing countries. The developed countries benefit from trade with the NICs in two inter-connected ways. There are the direct consumer gains from buying products cheaply from low-cost suppliers and the benefits from international specialisation, which enable people in the developed countries to increase their consumption and their leisure by finding more productive things to do than making transistor radios or plastic shoes. Provided currencies move so that imports from developing countries are financed by exports to them, trade produces unequivocal economic gains. The cheaper the foreign labour and the greater the export subsidies that the NICs' governments pay, the more consumers gain from buying goods at bargain prices.

But the OECD report emphasises that there are other, more subtle gains from trade between advanced and developing countries. Contrary to widely-held beliefs among trade union leaders, trade with the NICs tends to produce more jobs than it displaces. A balance between labour-intensive imports from NICs and capital-intensive exports to NICs would reduce

Old rivalries in Uganda

THERE ARE disturbing signs of instability in Uganda, a mere two months after the overthrow of Idi Amin. Two people were killed and 80 were injured last week during a protest demonstration in Kampala. Yesterday the Minister of Defence was assaulted, while in a separate incident a crowd attacked a police station. The immediate cause of these anti-government disturbances is the removal as interim President of Professor Yusuf Lule by the National Consultative Council, which forms the core of a new parliament. The struggle between the two has its origins in a meeting held at Moshi, in Tanzania, earlier this year when Ugandan exiles mapped out their ideas for the post-Amin era. Professor Lule interpreted the Moshi accord to mean that he held supreme executive power, while the NCC insisted that this resided with it. Behind this dispute lies a complex mixture of tribal, ideological and personal disagreements and rivalries. While President Lule was essentially Western-leaning and pro-capitalist, several influential members of the NCC are socialist in orientation. There are also strong rivalries between the Baganda tribespeople from the south and the Lango and Acholi from the north. Both these issues coalesce in the person of Dr. Milton Obote, the former President of Uganda who was overthrown by Amin. Dr. Obote, still in exile in Dar es Salaam, is a Langi by birth and a socialist by inclination. He is also intensely disliked by the Baganda, who have not forgotten his successful campaign in the 1960s to curb their aspirations for autonomy. This campaign included the sacking of the palace of the King of Buganda, who went into exile. Professor Lule is a Muganda and the demonstrations in Kampala over his downfall can be seen largely as a sign of Baganda fears that Dr. Obote might return home and secure a place in Government. At present, the view of the NCC seems to be that Dr. Obote should be allowed to come home as a private citizen, but that he should not have a place in the administration during the two-year interim period before the formation of an elected Government. It is to be hoped that this view will prevail. Dr. Obote has as much right to return home as any exile but the violence of the past week shows that he is a man who continues to excite strong passions. Any attempt by him to return to active politics when the mood of Uganda is so volatile could spell serious trouble. The tragedy of Uganda is that the very same tribal forces which played a major role in the overthrow of Dr. Obote (and Amin's advent to power) seem to be reasserting themselves, so soon after the country put behind it eight years of tyranny. It will require immense skill on the part of the new President, Mr. Godfrey Binaisa, to control these fissiparous elements. It will also need statesmanship from President Nyerere of Tanzania, whose troops remain a vital pillar of the new Government. With its economy ruined by the mismanagement of the Amin years, the last thing Uganda needs now is political infighting, distracting attention from the prime task of national reconstruction. In the agricultural sector, the fast and pressing plants for the country's main export crops have been seriously neglected, reducing the amount of foreign exchange available with which to buy badly needed equipment and spare parts. Virtually all major industries are run down and the transport system needs overhauling completely. Uganda is hoping for a major injection of international aid to help its recovery programme. But the Government must realise that it is more difficult for international agencies and bilateral donors to disburse funds when there is political instability, no clear chain of authority or no clear sense of economic direction.

The Saudis, OPEC and Geneva: a Kingdom in check

BY RICHARD JOHNS, MIDDLE EAST EDITOR

JUST OVER a year ago the Trilateral Commission published a report saying that world energy supplies would be adequate to meet consumers' demand "for the next several years and possibly into the early 1980s." The conclusion of this exclusive club of some 200 leading businessmen from North America, West Europe and Japan raised a few eyebrows and provoked some very comments a few days later when the Organisation of Petroleum Exporting Countries (OPEC) met at Geneva. Even delegates from the most "hawkish" member states were reconciled then to the fact that surplus crude on the market at the time made impossible any sizeable price increase in the absence of a concerted effort to curtail output — which Saudi Arabia refused to countenance. Today OPEC meets again in Geneva with the whip in hand once more as the consumers-squirming under the squeeze of prices that have risen by more than one-third in less than six months—count the cost in terms of inflation, unemployment and lost growth resulting from the revolution in Iran. In effect, the upheaval that overthrew the Shah and led to a three-month stoppage in shipments from the world's second largest exporter have dramatically telescoped the anticipated period — moving from a surplus of oil to a critical shortage— from six years to one. As Mr. C. C. Pocock, managing director of Shell Transport and Trading put it early last week: "So 1980 has arrived early and we are watching the re-run of an old movie." Questioned a year ago about the Trilateral Commission's report, Saudi Minister of Oil, said: "There are strong indications that there will be a shortage in the supply of oil sometime around the mid-1980s if not before. This, of course, depends on conservation measures taken by the consumers, on the level of Saudi production, and on the growth rate for the various OECD members. No matter what we do, that date is coming. I guess." Just how far Sheikh Yamani regards the longer-term supply-demand equilibrium can be seen from the accompanying graph based on figures presented by him when he spoke in London this month. They show supply failing to meet a demand growth rate of 2.5 per cent a year by 1983, if OPEC produces what it considers a reasonable amount of oil. If it depletes irreparable reserves faster than it wants, then the shortfall would occur in 1980. For its part, the Trilateral Commission, even if its long-term scenario was wrong, recog-

Production limitation

In practice, the Western consumers did miss two reasonably clear, related signals about the coming crisis from the producers' camp. One was Saudi Arabia's growing unwillingness, for a complex of various reasons, to meet increasing demand for oil. Over the past two years Saudi Arabia's production has been qualified explicitly, though politely, and somewhat ambiguously—not the least in its request to the U.S. for the achievement of a Middle East settlement satisfactory to all the Arab parties concerned. The second has been the gradual move by OPEC members, including Saudi Arabia, towards an overall limitation of production (while their own consumption has steadily increased and will go on doing so). Total OPEC production has remained more or less static since 1973 when it ran at 30.7m barrels a day. It fell in the following two years, and only in 1977, when it ran at 31.1m b/d, did it surpass the previous peak. Last year it was down to 29.5m b/d. The initial stagnation reflected the impact of the 1973-74 price escalation. Subsequently new supplies of oil from the North Sea, Alaska and Mexico came on the market. Over the five-year period from 1974 to 1978 the basic price of oil rose by only 16 per cent while the cost of goods imported by producers rose by at least 50 per cent, by Western estimates, but by far more according to OPEC calculations. The erosion in purchasing power was such that Iraq at various times sold oil at a discount and the North African producers were prepared to cut the differentials on their premium crude. Despite the squeeze on purchasing power, however, since 1974 the drift in OPEC, collectively and individually was towards conservation. Since the last decade Venezuela has followed strict conservation policies and subsequently its difficulty has been to maintain a reasonable level of output within the maximum that it set a few years ago of 2.3m b/d. Kuwait first imposed a ceiling in 1972, subsequently reducing it in 1974 and 1975 to the present level of 2m b/d. Though at one point last year Libya was producing less than it would have liked, it has exercised tight control over depletion rates since the 1969 revolution. Algeria is physically limited to 30,000 b/d. Since 1977 Abu Dhabi and Qatar have set a maximum allowable output. Now post-revolutionary Iran, in trimming output in line with reduced public expenditure, has cut the volume available from 5m b/d to just over 3m b/d.

Quarter of reserves

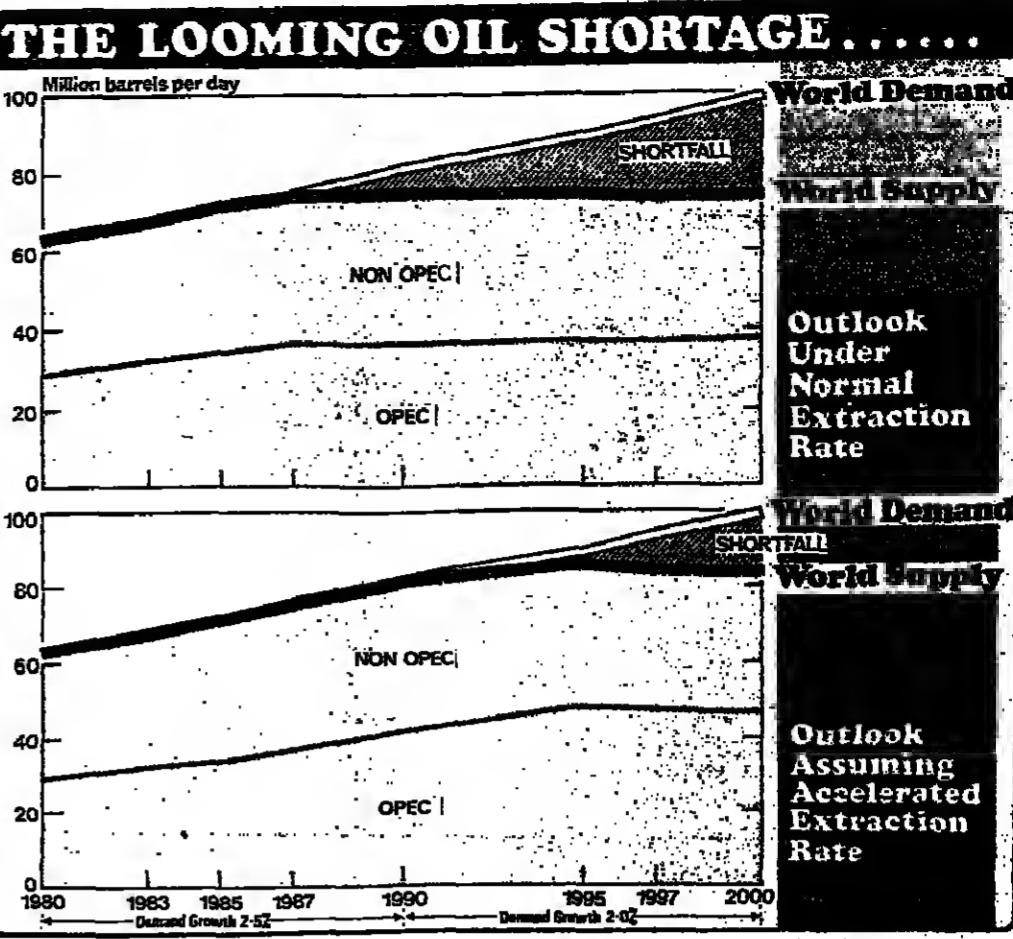
The Kingdom has unequivocally conveyed its own doubts not only about its will but also its ability to raise production, especially in the medium-term future. It has about a quarter of the world's proven reserves and could maintain a rate of 8.5m b/d until about 2030 on the basis of published estimates that may be regarded as conservative. Yet expanding and maintaining output above that level is a different matter. Even two years ago the U.S. Central Intelligence Agency in its energy report blithely assumed Saudi Arabia could raise it to 19.23m b/d by 1985 from existing fields and those under development. The whole issue is fogged in confusion, deliberate or otherwise. But the indications given by the Saudis are that on technical grounds they could not now sustain an output of more than 9.5-10.5m b/d, and will not be able to achieve the present national capacity of 12m b/d over prolonged periods of time for several years yet.

Home sickness

The last confirmed Japanese Imperial Army straggler, Lieutenant Hiroo Onoda, was found in the Philippine jungle in 1974, still unaware that the war was over. But sightings of other old soldiers—now usually very old soldiers—are reported quite regularly. Humanitarian expeditions to find them and convince them it is safe to come out usually follow. The most persistent search has been for a farmer in a southern Philippine village. He is known locally as Mondoka. The Japanese embassy in Manila first heard of him in 1975, and abortive "Mondoka hunts" have become an annual event. A team led by a Filipino policeman now claims finally to have cornered the man, described as "chinky-eyed and white-skinned." Whoever he is, he has rather ungratefully asked not to be disturbed—"because people here are mad and afraid of Japanese people." The Japanese embassy in Manila is being non-committal. Even if "Mondoka"—married with seven children—is indeed a straggler, says an official, his wishes may as well be respected. His comrade-in-arms, Lieutenant Onoda, found life in latter-day Japan so bewildering that he has emigrated to Brazil.

Trying trikes

As a mode of transport, trikes are normally associated with elderly spinners and retired clergymen. But the stimulus given to various forms of pedalling by dealer oil is even bringing three-wheelers back into the running for quite ordinary people. Dick Pashley, managing director of a Stratford-on-Avon firm making trikes, told me yesterday: "Sales are rising in a very healthy way." Pashley admits that he is not expecting to sell more than 3,000 this year for use on the roads: "But younger people are starting to ride them again"—as they did in Victorian times. Pashley is also selling a heavier version to factories, for carrying around small components without using fuel. One advantage of a trike is that motorists find it harder to knock the rider off into the gutter. There is, I learn, a thriving Trike Association, whose members travel in convoy over the hills and dales. One word of warning, however: if you are used to a bicycle, you are sure to fall off a trike when you first go around corners, through attempting to balance.



recovered. Even if Saudi Arabia does, as a temporary measure, let output rise again from July 1 in return for a moderate increase in a unified basic price, the fact remains that within OPEC there is a de facto restraint on production. No assumptions about output can be made like those of the Economic Models group which this month forecast OECD consumption rising from the current 30.5m b/d to 42.3m b/d by 1990 on the basis of a comparable expansion in OPEC output to 45m b/d. Among members of OPEC and according to their own criteria of conservation—quite apart from the need for revenue—only Saudi Arabia and Iraq (whose potential is largely unexplored) look as if they have the capacity in hand or in prospect to meet increasing demand in any meaningful way. The big question mark is over Saudi Arabia.

Saudi lack of choice

The odds are now that Saudi Arabia will hold its own price increase for the next quarter or the rest of the year at a level lower than other producers. In the meantime the argument that the world has no choice but to accustom itself to a realistic price of oil—on a scale to stimulate the development of alternative sources of energy—and curb consumption—to limit further escalation is not only a convenient way to cover the genuine perplexity of the world's leading exporters, it also makes sense from the point of view of the next generation of consumers, if not this one. Out of concern for the economic health of the West and in knowledge of its inter-dependence with it, the Saudi regime has a continuing concern that sufficient oil should be available to it at reasonable prices. In return Saudi Arabia has looked for technology for its development, assistance with the build up of its military strength and in the last resort, guarantees for its security and survival. In addition, policy has been influenced by the desire to enlist U.S. help with bringing about a Middle East settlement, which would include fulfilment of Palestinian aspirations. As the one Arab power with potential leverage on Washington, Arab pressure on the Kingdom to deliver such a peace agreement has grown. The U.S.-inspired Egyptian-Israeli Peace Treaty, by betraying the hopes of the Arab world, placed Saudi Arabia in a cruel dilemma, the least because of Saudi Arabia's preoccupation with keeping a conservative regime in power in Cairo. In the event it joined the other Arab states in the economic and political boycott of Egypt. The corollary of this action must be to draw closer to other producers in OPEC.

MEN AND MATTERS

Taxing patriotism at 15 per cent

As the full implications of the Budget begin to sink in, it is becoming clear that 15 per cent VAT will precisely reverse the Government's stated intention of keeping major works of art in this country. "At 8 per cent there are many patriots in the fine art fraternity," one major dealer told me yesterday. "At 15 per cent, patriotism wears a bit thin." Unlike children's shoes, music and pornography, art attracts VAT, like second-hand car dealers, art dealers pay VAT on their profits. They pay none at all, however, on works that are exported. The more valuable the work for sale, the larger the profits, and the greater the strain on the patriotism of Bond Street.



Trying trikes

The new arrangements are a strong incentive to sell works abroad rather than to the private collectors in Britain who, after all, are the future benefactors of the nation's museums. (Between 80 and 90 per cent of the paintings in the National Gallery came from private requests.) Even when the museums themselves are buying works, many are not registered for VAT, and cannot therefore reclaim it. In this category are university museums, for instance, and a large number of local authority museums.

Roots route

It falls to few bestsellers to inspire an aid project. But the EEC is putting £2.7m into a road-building project which owes a great deal to Alex Haley's saga *Roots*. The road is in the Gambia, the West African country to which Haley traced his ancestor, who was carried off to America as a slave. The hook and the resulting TV spectacular, evoked a good degree of scepticism. For all that, 4,000 pilgrims a year go to the village of Juffere, which Haley raised to fame. According to the journal *World Aid Digest*, these include "guilt-

Turbulent priest

The Organisation of American States stand against the beleaguered Somoza regime in Nicaragua represents a triumph for the unlikely figure of Miguel d'Escoto. A tubby, bespectacled Catholic priest in his early 40s, d'Escoto has for some months been acting as foreign minister to Europe and the U.S. for the anti-Somoza forces. Despite predictable U.S. objections, d'Escoto was recruited as an honorary member of the Panamanian delegation to the OAS, and took advantage of this platform to help defeat U.S. moves to send a military force into Nicaragua. After a scathing speech about U.S. foreign policy, he remarked wilyingly: "We can formally undertake now that we will never invade the United States."

Rather indigestible

The centenary of the death of Roland Hill, instigator of the penny post, is upon us. It makes even more mournful a notice just put out by Reader's Digest. This says that recent postal delays have in many cases disrupted the normal sequence in which "products and bills arrive." Sometimes, confesses the notice, reminder bills arrive before the product (for example, the Reader's Digest) drops on the doormat. "If you should happen to be among them, please disregard this reminder. If the product has not yet arrived rest assured that it is on its way. . . ."

FINANCE DIRECTORS AND TREASURERS

UDT takes deposits from banks and other financial institutions and from commercial and industrial companies. For sums of £50,000 upwards—from overnight to 3 years—you will find our rates hard to beat. To employ your liquid funds ring our dealing room on

01-626 5951

For sums between £1,000 and £100,000, we also run an attractive "Average Rate" scheme which offers 2% above the interest rate obtainable from local authorities for 7 days notice deposits. The rate is calculated independently each Monday morning. Your funds earn a better rate of interest and are readily available. Please ask for our booklets or telephone any of our 80 branches, the number is in your directory.

UDT
 United Dominion Trust Ltd.
 51, Eastcheap, London EC3A 3BT.

A fully authorised bank and Britain's leading independent finance house.

It pays to deposit with UDT

Observer

Overseas Construction

Despite recent setbacks in international construction activity, particularly in Iran and Nigeria, large volumes of work still exist in other parts of the world. But individual contractors will have to work harder than ever to win a share of the business and to make it profitable.

Intense little win contracts

Michael Cassell

LY HAVE world events led so rapidly and cyclically to underline the importance of international contracting.

In the space of a few months, two of the world's largest and usually most promising markets have been transformed now into uncertainty and again predominate for a while at least, appeared to be the case.

Dramatic events in Iran and the emergence of what, for many, at least, could be a traumatic business boom in Nigeria, have come at a time when the international construction sector is already nervous over its future—with some of the growth markets showing signs of stabilisation or slow-down and few new markets appearing capable of filling the void.

Competition for civil engineering work in the world's markets (still principally, not exclusively, centred on the Middle East) has promised large amounts of work

reached a climax and yet, with the need continuing for overseas work to form a major part of many groups' order books, few contractors have been able to withdraw from a race which may provide work but which does not necessarily guarantee profits.

The signs have been in the wind for some time. The largest civil engineers have been talking of "more difficult conditions" and lower profit contributions in markets which have largely sustained them for the best part of a decade.

They have spoken of "exploring new opportunities" in other parts of the world — though the exact whereabouts and extent of their interest often remains in doubt (possibly because, as yet, it is still a matter of searching for rather than actually securing new business).

Apart from attempting to widen their geographic spread, some of the largest contractors have also been talking of ventures representing an extension to their existing range of capabilities. In short, there has been a fairly widespread and growing realisation that what at times may have appeared to be a self-perpetuating overseas boom in construction is receding and positive steps are now needed to try and redress the balance.

Few contractors would ever admit that winning construction contracts overseas — or for that matter carrying them out — has been exactly easy, but there is no doubting that today the marketplace is more crowded, more competitive and cut-throat than for a long while.

As if that was not enough, they have had to face the fact that Iran, a country which once

and was already in the process of banding it out, has at least temporarily withdrawn from the scene. At the same time, Nigeria — notoriously difficult for the overseas contractor — promises to make life even harder for British companies.

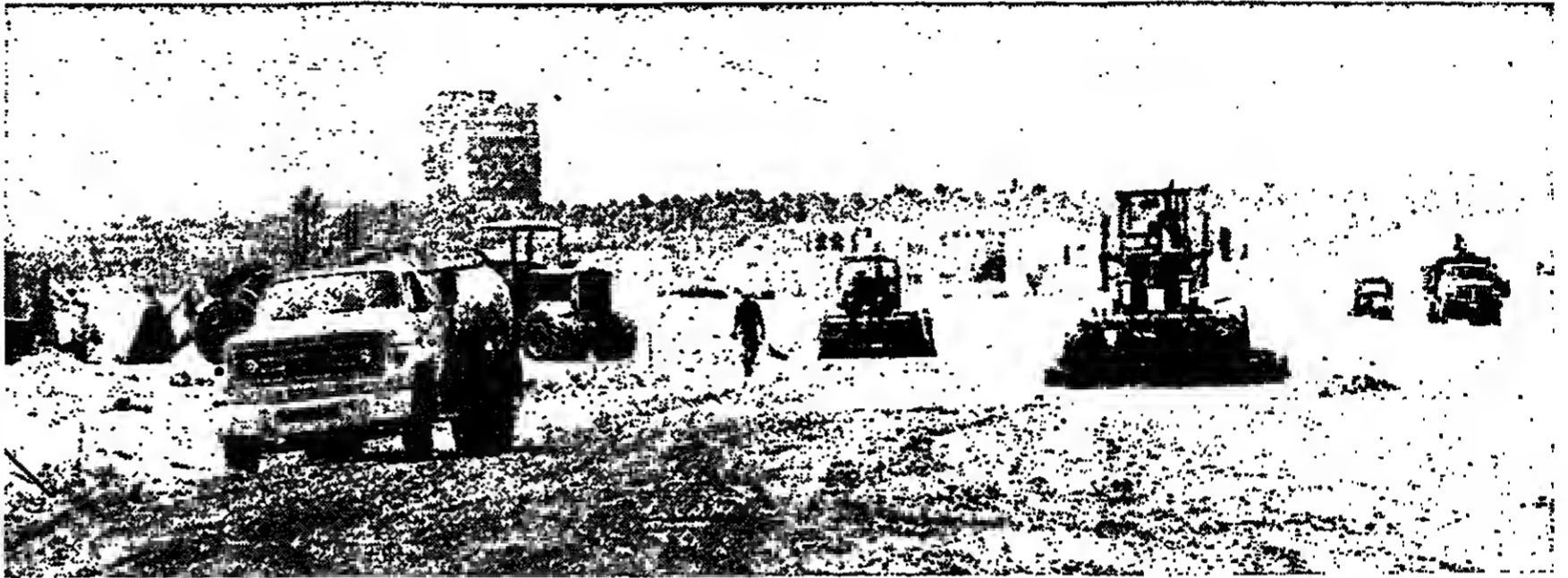
Pitfalls

So, suddenly the contractor has the most potentially disastrous and least predictable of all calculations thrust down his throat — political instability. In his quest for work, it is this factor as much as any other which concerns him and while the list of potential pitfalls is daunting enough — from currency, contractual law, materials and labour supply to specifications and payments — the prospect of political upheaval is the ever-present nightmare.

With this in mind, the major civil engineer treads as carefully as he can, but with the stakes high and an early presence of vital importance, some risk has to be taken. Few could have guessed — within or without the contracting fraternity — what was to happen in Iran, the third most important Middle East construction market for the UK which offered immense opportunities for new contracts.

Well-known names such as Bovis, Costain, Marples Ridgway, Laing and Wimpey were looking to Iran as a growth market and while their return cannot be precluded, the experience will have been a chastening one.

But the political impact on a contractor does not have to involve anything so obvious as a full-blooded revolution. The most important African market for the UK industry and one of the largest outside the



The new Eastern Ring Road under construction in Bahrain, between Manama and Jufair, at Quadibiya Bay

Middle East is Nigeria, where political considerations which could not be more remote from the contractors themselves are now threatening to play havoc with their aspirations.

The Nigerian Government has indicated that it will not consider tenders by some British companies for certain major Government contracts until the UK Government clarifies its policy towards Rhodesia. The move, seen as a clear warning to Britain against recognising the new Rhodesian Government and lifting sanctions on the country, has apparently already had a direct impact on one UK construction consortium, involv-

ing Costain, Cementation International and Balfour Beatty, which has been told that it has been dropped from a tendering shortlist for a major port development project which could be worth up to £130m.

The Nigerian construction market, which has in the past provided at least one major UK civil engineer with some well-publicised problems, is therefore in limbo — its fate to be decided by decisions taken in an altogether different sphere.

Even in those countries where political stability has apparently finally arrived after a long absence (opening up the prospects of increased work) major

problems still remain. Egypt is a good example of a nation with huge construction potential — a country with a large population and a hopelessly inadequate infrastructure, but one which now has the peace which so long eluded it.

Some contractors — such as Bovis, Higgs and Hill and Farmao — are already at work in a country where the potential for multi-million projects abounds. However, the Egyptian economy having been drained for years by wars and heavy defence spending, limited resources will set a slow pace for development. American aid is clearly due, but it now emerges that many

Western commercial banks are reluctant to provide sources of finance for the country because they fear possible retaliation by Arab oil exporting nations.

So, what is the international construction fraternity to do and how is it going to overcome the inbuilt irony that the type of country offering the volume of work it seeks is, by its very nature, likely to rank among the less well-established, potentially more volatile, states?

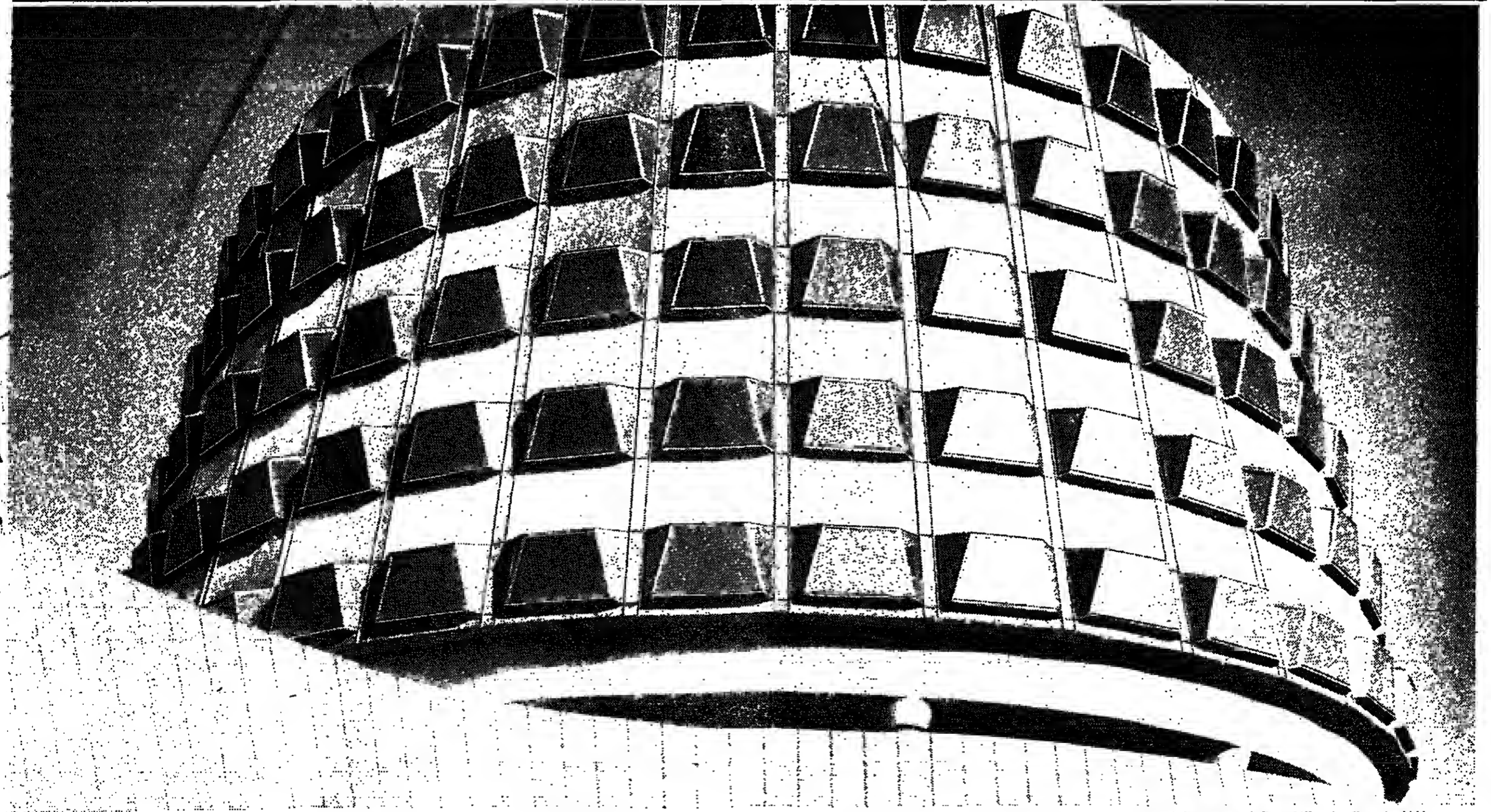
The answer is, of course, that it cannot eliminate risk in its home market, let alone those overseas, and that if it is intent

on going overseas the best it can hope for is to spread its workload, both geographically and technologically.

China is perhaps one of the brightest new opportunities on the international contracting scene. In common with just about every other sector, the opening up of a country with one-third of the world's population has become a major conversational point, as rapid calculations are made to convert population into contract opportunities.

There is no doubt that there is a "fashionable" element in

CONTINUED ON PAGE III



Architects: Antonio Bonet & Francisco Gonzalez Gullies

Who built a castle in Spain for their own good health?

The Spanish medical professions are proud of their new headquarters in Madrid. With some justification.

Its unusual 'beehive' shape is a deliberate breakaway from the match-box school of present-day architecture, and the building reflects an exceptional quality and attention to detail.

Britain can share some of this pride,

since it was built by Laing SA, 85% owned by John Laing, this subsidiary is now one of the leading contractors in Spain. Laing's presence in Spain is good news for the burgeoning Spanish economy. It is one of a dozen Laing overseas companies, either wholly or partly owned, which, world-wide, are exporting British technology.

In Britain alone, more than 20,000

people make Laing one of the biggest construction companies in the world. Worldwide, you will find the familiar Laing yellow-and-black site boards wherever new ideas are taking shape. Laing's scope ranges from cathedrals to power stations, from docks to hospitals. Laing expertise can embrace the technicalities involved in building Britain's largest brewery; and the craftsmanship

necessary to renovate the interior of the Albert Hall.

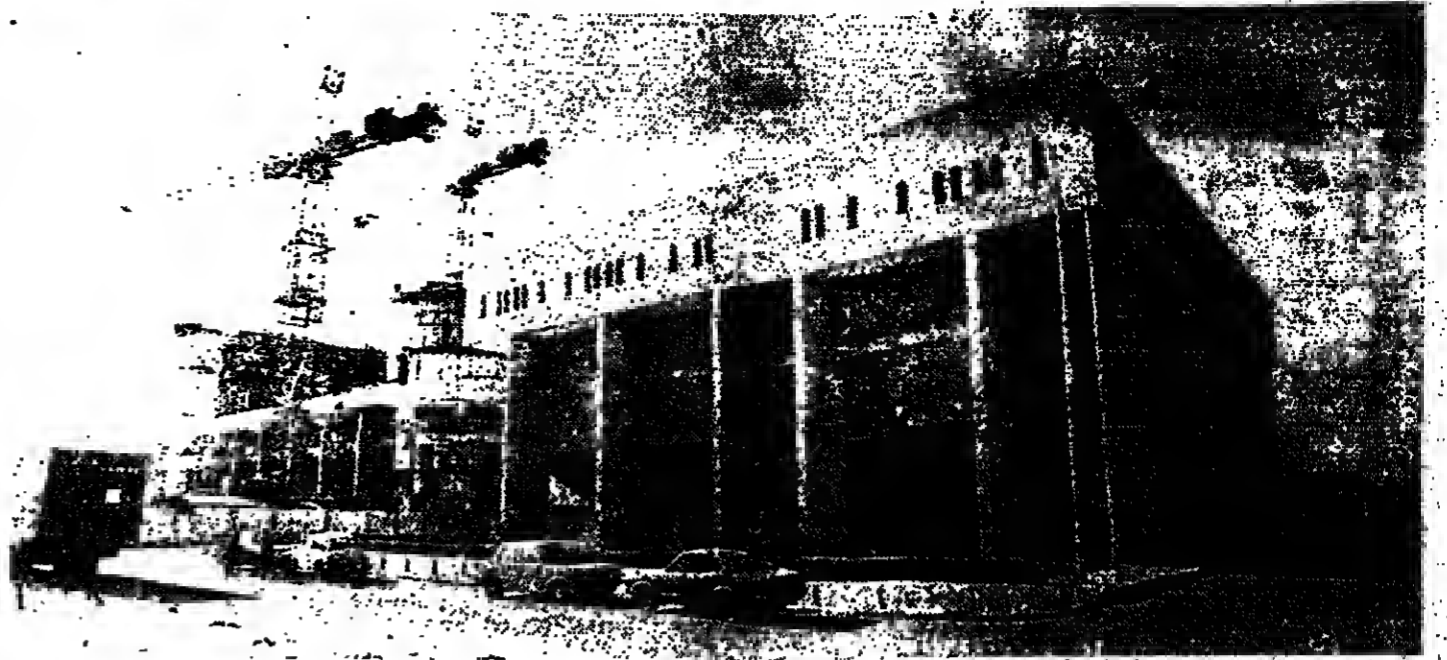
Laing make ideas take shape. With skill. With technology. With craftsmanship.

LAING

make ideas take shape

OVERSEAS CONSTRUCTION II

Middle East setbacks



Competition in the Middle East for European and American contractors is becoming more intense, faced with growing penetration into the region from the Far East companies. Above: Extensions underway at the head of the Kuwait Fund for Arab Economic Development

THE REVOLUTION in Iran has come as a had blow to the Middle East construction market at a time when the rewards of operating in the region were already becoming a good deal less enticing.

The turmoil seems almost certain to cause an enormous loss of business and, for many contractors, serious financial losses: while the collapse of the Iranian market has intensified the already fierce competition in other countries in the region.

Even without Iran, construction in the Middle East is no longer the explosively growing phenomenon that it was in the immediate wake of the 1973/74 oil price rise. Through the sheer volume of work in the Middle East (excluding the Maghreb and the Yemens) has been put at nearly \$26bn for 1978, this was marginally less than the previous year.

In several countries construction spending has peaked because of financial stringency and the saturation of needs, though this has been offset by the continuing tremendous strength of the construction markets in Saudi Arabia and Iraq and, to a lesser extent, Kuwait.

For European and American contractors, the growing penetration into the region of companies from the Far East has made competition more intense, while in many cases they have faced problems as a result of erratic cash flow and foreign exchange fluctuations. For some of the less experienced or less fortunate operators, the Middle East may have ceased to be a profitable market.

It has been estimated that the likely loss of business for foreign concerns on major civilian projects alone in Iran will be nearly \$38bn. Defence contracts and smaller civilian projects would probably double that figure. But construction companies are more concerned

with their direct financial losses and liabilities which include such things as unpaid progress payments and outstanding performance guarantees—naturally they are also worried about whether their projects are likely to be revived or not and whether they should hang on or cut their losses and leave.

Construction companies became aware of the special problems of operating in Iran soon after the oil boom, especially the bureaucratic complexities of discovering who was responsible for what. Contractors often had no compunction about stopping work when progress payments failed to come through and this is exactly what many of them did as the Government began to break down in the autumn of 1978. Those that did not, of course, are now in dispute with the new Government.

Guarantees

But the overriding issue concerns guarantees and bonds. In most cases, contractors—while having their construction equipment bought with advance payments by the client, usually the Government—had to secure that advance payment with demand bank guarantees which in many cases may still be outstanding. They also lodged performance guarantee bonds through their banks.

Many of the problems with demand bank guarantees are, as yet, hypothetical: they include anxieties about capricious calling of bonds—fears of the government threatening to call bonds as a coercive measure to force contractors to waive any claims for damages arising out of the revolutionary turmoil; and problems of indefinite periods of liability if the bond did not have a specific expiry date (and, even if it did, the government could force the extension of the expiry date by

simply threatening to call the bond if the expiry date is not extended).

Contractors and bankers are now anxiously scrutinising the terms of performance bonds to check their liability—and in many cases regretting that they ignored advice that seemed pernickety at the time from cautious legal departments.

"Legal departments have been having a field day," says Mr. James Nelson, vice-president at Bank of America in charge of contractors' financing in Europe, the Middle East and Africa. "But, of course, all these concerns should have been sorted out by more careful drafting before they even started. As we have consistently pointed out to our clients and other banks, a lot of these guarantees are the

same as blank cheques and, in many cases, deserved much more careful treatment than they received."

The experience of Iran is naturally making bankers and contractors look more searchingly at the terms and conditions of work in the rest of the Middle East, while keeping a weather eye on political stability.

Two processes are at work in the rest of the region: the very fast expansion of construction activity has largely come to an end and in some countries construction work has declined sharply; where construction work is continuing at a fast pace its nature is shifting away from crude infrastructure work towards more complex process plant construction.

The building boom has ended in the Lower Gulf and Oman: construction work is of course continuing, but with far less activity in the private housing and property sector while public sector spending has generally peaked. In these countries—Bahrain, Qatar, the UAE and Oman—governments have virtually run out of worthwhile projects, the pressure of immigrant workers intolerable and found that their spending was just catching up with or even overtaking their income.

But construction work is continuing steadily in Kuwait, coping with the needs of a relatively large population with one of the fastest growth rates in the world. Construction spending there was up by about 5 per cent in 1978, compared with 1977, and it shows little sign of slackening.

Basic

At the other end of the scale, states such as Egypt, Sudan, North Yemen and South Yemen which have not directly experienced an oil boom, are at an earlier stage of construction development with their needs in many cases still very basic and the boom, such as it is, at an earlier stage of the cycle.

Then there are Algeria and Libya where the post-oil price rise boom is giving way to a lower growth rate, more emphasis on sophisticated plant and, in the case of Libya, a 13 per cent drop in construction spending last year.

Finally, there is Saudi Arabia, which last year accounted for nearly half the region's total construction expenditure, and Iraq, whose construction spending rose by 22 per cent last year, so that it is now the second biggest construction market in the region.

Iraq has a relatively big population (about 12m) in a large country and its considerable oil revenues have consistently fallen behind spending through Government inertia and political diversions. Now, a number of large industrial schemes are underway there and the construction market appears to have good long term prospects, always bearing in mind the political disagreements which have recently made operating there very difficult for British companies and, to a lesser

extent, West German concerns.

Saudi Arabia is the awe-inspiring doyen of the Middle East construction scene and is likely to remain so for some time. Though last year's construction spending was up by a relatively modest 14 per cent, the bulk of the Government's spending goes in one form or another on construction and during the financial year which ended in June it overspent its revenue of \$44bn by \$4bn.

This year, Saudi Arabia is budgeting for expenditure only about 8 per cent above last year's actual spending which, taking inflation into account, should mean spending staying roughly stable in real terms.

Saudi Arabia is the most obvious example of the changing nature of construction work. The initial rush of spending was on infrastructure—roads, airports, sewerage systems, housing, and so on—but while some gaps remain, especially in housing, the emphasis is now switching to the next stage—industry, with the colossal complexes at Jubail and Yanbu.

At the same time, defence spending, which is one of the largest Saudi budget items, is still predominantly a matter of infrastructure, with the enormous military cities being effectively "just new towns" for military use.

The gradual transformation of the Saudi construction market (which has been mirrored on a smaller scale in other states, including Algeria, Libya, Iraq and the UAE) should put greater pressure on the civil construction company which will be finding work harder to obtain, while creating new opportunities for the highly skilled process plant contractor of which there are anyway many fewer in the world.

Since western and Japanese contractors have more experience in these fields than the other Far Eastern construction companies which have been making high inroads into the market, this could mean a reassertion of western and Japanese companies' positions. However, Koreans, Taiwanese, Indians and Pakistanis are also moving into this field, while the Saudis having been breaking up big civil contracts into small parts to enable Saudi contractors to bid successfully for them—thus further narrowing the market for western contractors.

All these factors have combined to put the Saudi Government into a very strong negotiating position vis-à-vis civil contractors and it has lately been inclined to stage a kind of Dutch auction among the three or four lowest bidders for a contract so that the winning contractor is forced well below his original offer. With few Western contractors prepared to gamble in this way, contracts awarded on this basis tend to go to Far Eastern contractors who, with their highly disciplined cheap labour force and low headquarters overheads, can usually shave costs yet further to produce a profit.

Many of the physical problems of operating in the Middle East which were a feature of

the early days of the oil boom (such as port congestion, high inflation and cement shortages) have long since been sorted out, making the region a more orderly place in which to operate and reducing the element of chance which enabled some companies to make very good profits by being well-organised at the right time—and which inflicted heavy losses on others. The easing of these constraints and the dropping of inflation rates has made the pressure of competition on contractors more even, if still unremitting.

Problems

Yet operators in Saudi Arabia face two big problems which can turn profit sharply into loss. Last year, the Saudi Riyal, though devalued against the U.S. dollar, became heavily devalued against the Deutsche Mark and the Japanese yen and since contracts are denominated in riyals German and Japanese contractors who were uncovered for the foreign exchange risk suffered heavy losses.

With the foreign exchange markets in the region relatively unsophisticated, many contractors have taken out currency hedging loans which, naturally, add to the cost of the operation.

The other problem in Saudi Arabia in the past year or so has been delayed payments by Government to contractors. This was the result of the Ministry of Finance trying to restrain the spending of individual ministries, and it was compounded by some ministries having worked out their spending schedules wrongly, while a few eager contractors finished stages of work ahead of schedule and asked for early payment.

In some cases, ministries have called in contractors, owed up to making cash flow mistakes and agreed new payment schedules. In other cases contractors simply haven't been paid and haven't been told why. In either case, contractors have needed sympathetic bankers.

So, the successful operator in these arduous, capricious conditions needs to be self-sufficient, flexible and highly efficient to make a profit. The best fitted to do so are likely to be those companies which came successfully through the critical 1974-77 period: the success rate for newcomers may be low. From the British point of view, it is depressing to note that most UK contractors concentrated on the Lower Gulf markets in the peak of the boom, with few risking the more difficult Saudi and Iraqi markets, while virtually all British construction companies have traditionally been uninterested in Kuwait. The result is now that Britain is poorly represented in the two strongest construction markets in the region and in the only Gulf state with the prospect of steady construction growth prospects over the next two decades.

James Buxton

STRUCTURE OF CONSTRUCTION MARKETS IN 12 SELECTED MIDDLE EAST ECONOMIES

1977 and 1978 public and private sector expenditure in \$m. estimates by Plantecon Overseas (Research).

Country	1977			1978			Populn in mil.	Total Expenditure
	Construction Equipment Used + Service	Other Construction (design, labour, etc.)	Total	Construction	Other Construction	Total		
Bahrain	44	14	58	120	142	262	0.3	262
Egypt	148	42	190	690	833	1523	44	1523
Iran	490	185	675	2440	2190	4630	154	4630
Iraq	305	61	366	1150	1234	2384	225	2384
Jordan	27	8	35	135	180	315	114	315
Kuwait	86	21	107	425	488	913	1.0	913
Libya	189	64	253	720	460	1180	5.62	1180
Oman	66	13	79	214	190	404	1.5	404
Qatar	53	10	63	210	188	398	0.2	398
Saudi Arabia	841	357	1198	4290	4902	9192	1300	9192
Syria	54	18	72	243	315	558	7.9	558
UAE	225	65	290	750	890	1640	2.270	1640
TOTAL	2328	858	3186	11417	11982	23399	247	23399

Plantecon define "construction expenditure" as containing "bricks and mortar" only, ie excluding mechanical, (petro) chemical, electrical, etc. installations. Thus the monetary assessment describes (simplified), the construction industry's total turnover in its widest sense.

TORNO
S. P. A.
(Dott. Ing. G. TORNO & C. S.p.A.)
1929 - 1979
CIVIL ENGINEERING CONTRACTORS
20122 MILANO (Italy) - Via Albricci 7

Bovis
Bovis International Limited
Worldwide Construction
Telephone: 01-995 8961 Telex: 895 2107 Bovisi

BCEL... four leading companies thinking as one

Take four major construction equipment companies and their subsidiaries. Pool their resources such as Production, Engineering know-how, Design and Marketing. Then streamline and strengthen their product ranges. Then you have a formidable team with the ability to provide a large slice of the industry's need for equipment, quickly and efficiently.

That's the objective of Babcock Construction Equipment Limited... to leave individual companies free to develop within their own markets, but to use their strengths collectively in specific areas.

Today BCEL has a turnover in excess of £50 million, employs 3,000, embraces twelve companies and markets a range of equipment from Road Pavers, Rollers and Sweepers to Tractors, Loaders, Tower Cranes, Dumpers, Concrete Mixing and Handling Equipment and High Pressure Water Washing and Blasting Equipment.

Babcock Construction Equipment

Babcock Construction Equipment Limited, River House, Short's Way, Rochester, Kent ME1 3AP
Tel: Medway (STD 0631) 41041, 44271
Telegrams: Blawnox Rochester. Telex: 96247
A subsidiary of Babcock & Wilcox (India) Ltd, an independent British company

Jelly

OVERSEAS CONSTRUCTION III

Developments in Iran at a standstill

GRANDIOSE plans to set into the ranks of the world's top ten nations lie following the revolution which forced the departure of the Shah, the architect of the country's development programme to decide what to salvage.

The new Islamic Republic — with the Ayatollah Khomeini returned, after years of exile, as its religious head — is now sifting through the remains of the country's development programme to decide what to salvage.

The new regime's emphasis on Islamic puritanism embodying a return to old values and a simpler way of life is in marked contrast to the Shah's ambitious plans to take his country into the 20th century, and provides little optimism for the British and other overseas companies which have millions of pounds tied up in unfinished contracts and "rusting" assets in Iran.

On conservative estimates, the loss of business for foreign concerns involved in purely major civilian projects in Iran could be approaching £380m. This figure could double if military projects — where the British and U.S. are most exposed — and smaller scale industrial and infrastructure work is included.

The revolution occurred at a time when development work under the Shah's latest five-year programme — which had been due to be completed by March, 1978, but had been delayed by bottlenecks and other constraints — had reached a peak.

Of the British concerns now proceeding on major civilian contracts in Iran, Bath and Portland, through its subsidiary Marples Ridgway, is working on one of the largest.

not involve Bath and Portland in a loss.

He said at the group's annual meeting in April that either the project would be completed, under the new Iranian authorities or payment would be sought from the contract insurers.

The contract — which is now two-thirds completed — is covered up to 90 per cent of its value by the Export Credit Guarantee Department, the Government agency which insures British companies trading overseas against slow or non-payment of money owed on contracts.

However, £18m is still owed the group, on work so far completed, and Bath and Portland with £37m-worth of assets presently in Iran has opted to set aside a £3.5m special reserve to meet uncovered eventualities.

More disconcerting for the group is the loss of future profits from the road contract and from other work that might have arisen in Iran.

The Iranian decision to suspend further work on the major Isfahan military-industrial complex at the beginning of this year was a severe disappointment to two more British civil engineering contractors.

Following its problems in Iran, Laing's annual profits tumbled to £14.8m — earlier the group had forecast that profits would top the previous year's £18m.

The loss of its Iranian earnings is particularly worrying for Laing as a significant proportion of its civil engineering is commissioned by the local authorities and, with the recent round of public spending cuts, the group will increasingly have to look overseas to offset any further weakening of its position on the home market.

Other British companies involved in sizeable unfinished contracts in Iran include Cementation with an £11m high-rise flats complex, GEC with a £27m power station and Turri&Taylor with a £24m oil terminal.

ECDG which has provided insurance cover against these contracts fear that losses may be substantial and, as a precautionary step, suspended insurance cover for any new British business with Iran shortly after the new regime came to power.

It may be some time yet before claims start to come in, but ECDG hopes that claims will not top the £70m it has paid out on contracts to Turkey — another country in dire economic straits.

A number of British companies still hold out the faint hope that their contracts might escape the axe but prospects look fairly grim presently.

Infrastructure services and factories.

Following its problems in Iran, Laing's annual profits tumbled to £14.8m — earlier the group had forecast that profits would top the previous year's £18m.

The loss of its Iranian earnings is particularly worrying for Laing as a significant proportion of its civil engineering is commissioned by the local authorities and, with the recent round of public spending cuts, the group will increasingly have to look overseas to offset any further weakening of its position on the home market.

Other British companies involved in sizeable unfinished contracts in Iran include Cementation with an £11m high-rise flats complex, GEC with a £27m power station and Turri&Taylor with a £24m oil terminal.

ECDG which has provided insurance cover against these contracts fear that losses may be substantial and, as a precautionary step, suspended insurance cover for any new British business with Iran shortly after the new regime came to power.

It may be some time yet before claims start to come in, but ECDG hopes that claims will not top the £70m it has paid out on contracts to Turkey — another country in dire economic straits.



Among some of the more impressive construction projects completed in Iran, shortly before the country's development programme came to a virtual standstill due to the revolution, was the £3m inter-regional bus terminal in Tehran, illustrated here. Building Design Partnership, of the UK, acted as civil and structural engineers and architects in

association with Y Itihadieh, of Tehran. The terminal has facilities for up to 550 long-distance bus movements and 50,000 passengers a day. Building Design Partnership's overseas interests at the moment include the Gulf States, Saudi Arabia, Egypt, the Philippines and Portugal.

urbing

ss of a market the size is particularly perturb-

oom in Middle East ion work now appears atten-

er developing markets, the Far East and Hong d Singapore, in parti-

Decisions

Costain Group is another British construction organisation still awaiting the delibera-

Of the British concerns now proceeding on major civilian contracts in Iran, Bath and Portland, through its subsidiary Marples Ridgway, is working on one of the largest.

However, the UK contractor's chairman, Sir Kenneth Selby, has told shareholders that the scrapping of the scheme would

Projects

Other British companies involved in sizeable unfinished contracts in Iran include Cementation with an £11m high-rise flats complex, GEC with a £27m power station and Turri&Taylor with a £24m oil terminal.

ECDG which has provided insurance cover against these contracts fear that losses may be substantial and, as a precautionary step, suspended insurance cover for any new British business with Iran shortly after the new regime came to power.

It may be some time yet before claims start to come in, but ECDG hopes that claims will not top the £70m it has paid out on contracts to Turkey — another country in dire economic straits.

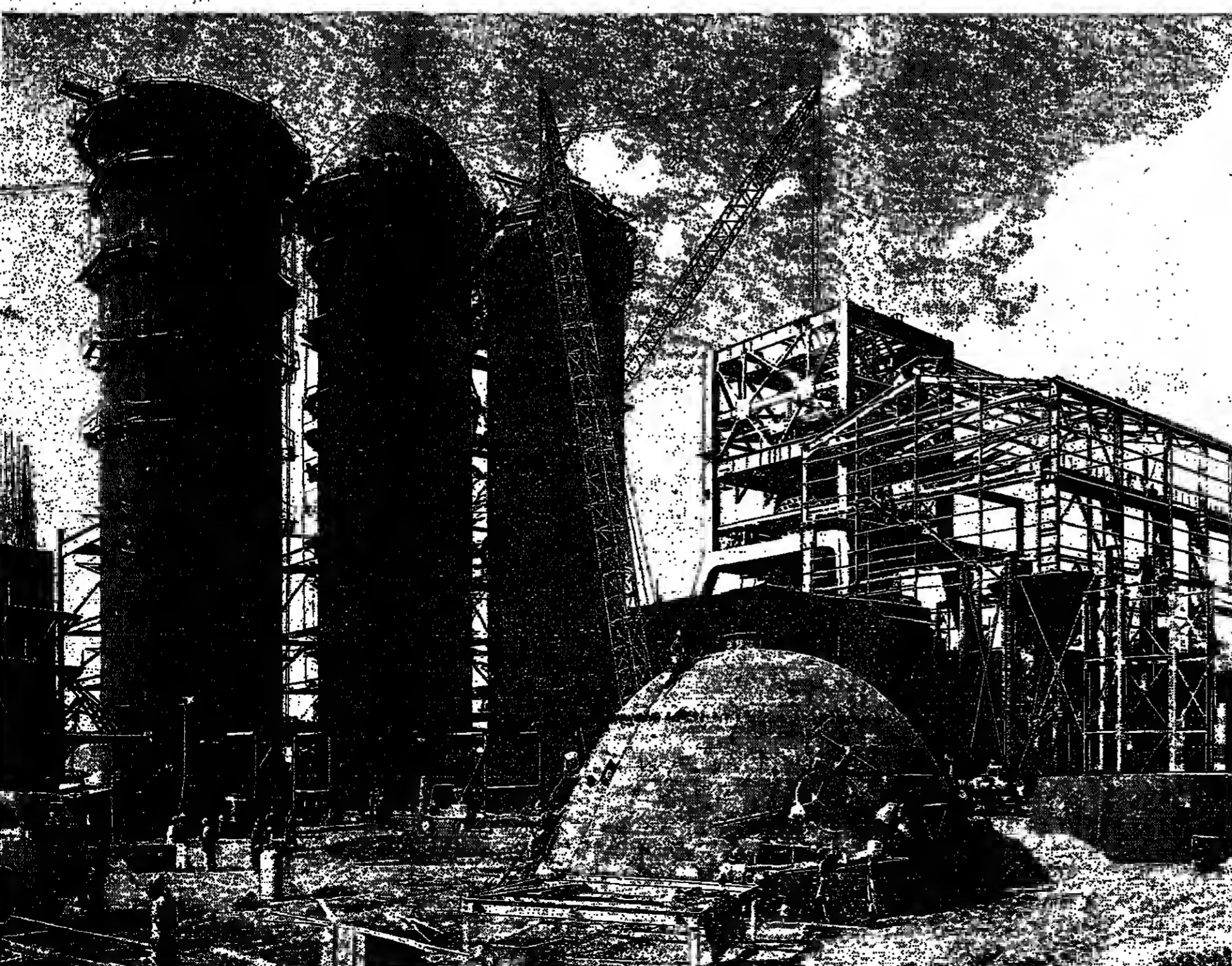
Contracts

But with the Congressional Budget Office now apparently forecasting a serious U.S. economic recession later this year and through most of 1980, it seems that few havens now exist.

It would be easy, therefore, to imagine that international construction activity is heading for some desperately difficult times ahead. The truth is that large volumes of work do exist and will continue to emerge — witness the major contracts still being picked up around the world by UK groups — but it seems equally clear that individual contractors will have to work harder than ever to win a share of the business and to make it profitable.

Andrew Taylor

Davy McKee - a new strength in engineering and construction



There is a new strength in engineering and construction for the process industries. A new strength with a world of experience behind it.

The strength of Davy McKee. The experience of Davy and McKee.

A strength which combines within one world organisation and under one direction the whole of the engineering and construction competence, technology and resources of two of the world's leaders in this distinctive field of industrial activity — Davy International and The McKee Corporation.

Davy McKee is now one of the six largest engineering and construction companies in the world. It employs over 10,000 professional engineers, technologists and other specialists and covers a range of technologies probably wider than any other comparable single organisation. It serves the world market from main engineering centres in the U.S.A., the Federal Republic of Germany and Britain, has complete engineering organisations in Australia, Argentina, France, India and South Africa and branch offices and associate companies in 16 other countries.

Davy McKee is now building projects in 43 countries, across the whole spectrum of the process, metals, minerals and energy industries.

Davy McKee gives you a better choice.

Davy McKee

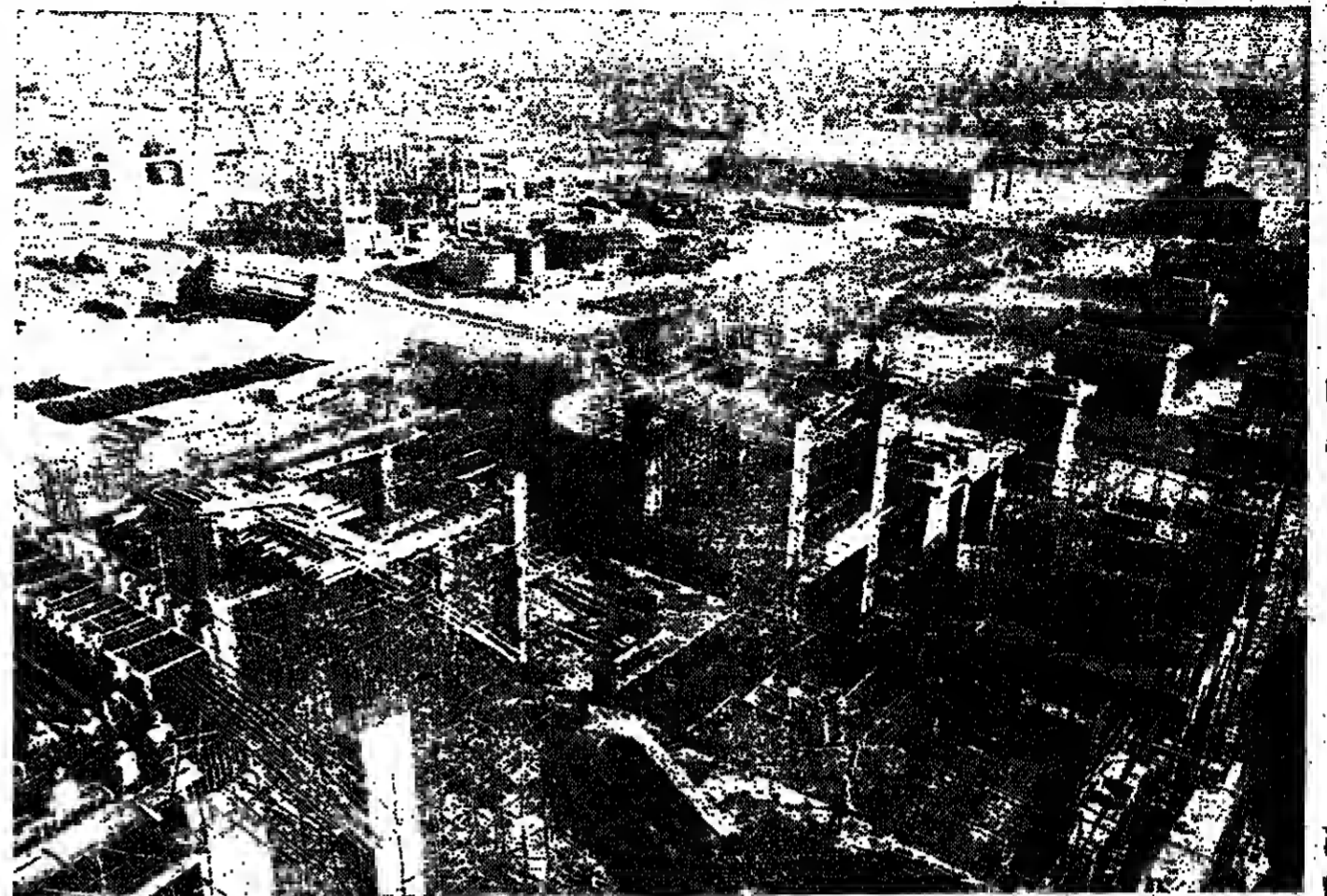
15 Portland Place, London W1A 4DD, England. Tel: 01-637 2821. Telex: 22604
6200 Oak Tree Boulevard, Cleveland, Ohio 44131, USA. Tel: 216-524 9300. Telex: 980233.



currently managing all the British, German and French supply — totalling \$850 million — for the new \$3.4 billion integrated iron and steel plant of Acominas in Brazil.

OVERSEAS CONSTRUCTION IV

Cautious attitudes among UK contractors



Political problems are causing concern for overseas companies with involvement in Nigeria—the most important African market for the UK construction industry. Above: The Ashaka Cement Works, Nigeria, under construction by Costain (West Africa) Ltd.

BETWEEN 1972 and the end of March 1978, the value of UK new construction work overseas increased over five-fold to nearly £2bn. The greatest part of that growth was scored in 1974 and 1975 but now new order intake has slowed and is reflected in the more cautious statements now being made by chairmen of the major UK contractors.

The background to the latest problems was established from the outset of the British contractors' overseas efforts.

Essentially the British contractor pursued big project work—usually involving the development of an infrastructure for an oil rich nation—which lasted over a period of years.

UK companies became dominant in countries such as Dubai, Abu Dhabi and Oman. Although these were rich sources of revenue their markets were limited.

The possibilities for a contractor were soon exhausted, but the demands for more specialised know-how of the civil engineer and consulting engineer increased.

The contractor's work-load was running down. Moreover, with more companies both in the UK and overseas being drawn to those markets competition increased and margins became tighter.

There were other complications. A sharp decline in oil revenues of the producing countries, and high local rates of inflation and over-spending led to a cut back in the rate of development.

The contractor has responded. Although the Middle East remains the most important market for British contractors working overseas, accounting for over a half of all new contracts won, contractors have been looking beyond the Middle East to North and South America, Africa and the Far East to support their workloads.

Although Wimpey Construction UK gained a £65m project in December from the Arab Potash Company—representing the largest single contract ever placed in Jordan—the group has recognised that there is a diminishing market in the Middle East as well as an increase in competition.

Accordingly, the group has increased its operations in North America, and has achieved a greatly increased turnover. It has expanded its operations from its traditional base in Eastern Canada into Western Canada and the U.S.

It is also diversifying into several new classes of work: these include construction of facilities for two new sewage treatment plants, high rise apartments, factories and office buildings. In Alberta the company is actively involved in civil engineering and general construction projects such as the 3,400m-long irrigation aqueduct at Brooks, now completed, one of the largest earthwork projects in the province in recent years.

In the U.S. Wimpey has commenced operations in a small way in residential, commercial and industrial development. Costain is finding the going tough in replacing its jumbo-sized Middle Eastern contracts with work of comparable size but the group is intensifying its efforts to obtain profitable new business in the Middle East, Africa and Latin America.

But in its latest report and accounts the group has indicated that it expects "an enlarged proportion of its future growth to come from the formation or acquisition of new business... this implies entry into new markets and expansion into new geographical areas."

Marchwiel saw its overseas contracting turnover fall dramatically in 1978, particularly in the Sudan where there have been delays in the awards of further work. Its overheads had been geared to a much higher turnover than that achieved and a substantial trading loss resulted on the international front.

However the group is still committed to overseas markets and in 1978 its African company commenced work on an Umata hydro-electric contract. It has

gained a further contract for the construction of a large dam. Tarmac managed to obtain substantial overseas contracts in 1978 within a limited geographical area: a £17m Saudi Arabian shiprepair yard contract at Jeddah; a £10m sub-contract for the steam power station at Sharjah in the United Arab Emirates, and large joint contracts at Abu Dhabi and Das Island.

John Laing gained a first project in Egypt in 1978 for £12.5m for the Arab Organisation for Industrialisation at Helwan, near Cairo. The group is tendering for further projects.

In the group's important Spanish market Laing found the going rough but managed to maintain its turnover levels in 1978. Major civil engineering contracts were not available in Spain in 1978 but a number of smaller contracts were obtained for road works, factories, water distribution schemes and port extensions.

But in spite of the patchy overseas markets the group is determined to raise turnover and profits from overseas business.

Trafalgar House saw the size of its individual overseas contracts fall in 1978, principally

because 1977 awards were inflated by two very large Polish contracts and a £55m contract for the Galadari complex in Dubai. Notable contracts in 1978 included a £14.5m contract for a hotel in Bahrain, and a £10m contract for a bank in Saudi Arabia and a £9m contract for an Egyptian factory.

Others have been less fortunate. Those smaller groups which have committed limited managements and financial resources to ambitious overseas projects have found the going sticky.

Streeters of Godalming were badly hit by the changing circumstances in the Middle East. The group had to drastically re-appraise its position in that area which subsequently led to its withdrawal.

Costain later stepped in with an injection of capital and a co-operation agreement whereby

civil engineering subsidiary of Costain and Streeters will collaborate on civil engineering works.

Bryant Holdings had to make substantial provisions on its Saudi Arabian operations.

And Bath and Portland was bit by the Iran troubles on its massive road-building project. Companies of this size have been vulnerable in other ways when embarking on overseas expansion. By heavily committing themselves to overseas markets their managements have often neglected the home market and as a result lost market share.

But now there is a phase of retrenchment and consolidation underway among the medium sized concerns which suggests the lessons may have been learned.

John Moore

Transkil
EMPLOYERS
seeking Staff for overseas construction and petrochemical projects and
EXPERIENCED ENGINEERS
seeking reassignment
CAN GET TOGETHER
through Transkil's
DIRECTORY OF INTERNATIONAL CONTRACT STAFF
QUICKLY—AND COST EFFECTIVELY
TRANSKIL,
4 Windsor Street, Uxbridge UB8 1AB, England
Tel: 0895 56501 Telex: 847777 Delray G - Actn. Transkil
Licensed by D of E as an Employment Bureau

CONSTRUCTION COST SYSTEMS
WORRIED THAT YOUR BID IS WAY OUT? ARE YOU SURE YOU HAVE BEEN OFFERED THE MOST COST BENEFICIAL DESIGN SOLUTION? FED UP WITH THE INACCURACY OF ESTIMATES BEING GIVEN TO YOU? HOW MUCH WILL YOUR BUILDING COST IN USE?
Solutions to these and many other problems are now being handled quickly and inexpensively by utilising sophisticated computerised techniques on international projects.
For brochure and further information, contact:—
CONSTRUCTION COST SYSTEMS,
P.O. Box 411, CH 8034 Zurich, Switzerland.
Tel: 01/55 16 21. Telex: 58381.

FEASIBILITY, DESIGN OR BUILDING OF
LAUNDRIES
Can be handled for you by internationally established experts. For feasibility studies, design, installation control and management (U.K. and Overseas) contact:—
L. A. Edwards, Esq.,
Corwall Glebe, Kington, Oxfordshire.
Tel: Kington 549.

Farmer—the growing force in engineering construction

Farmer
International service in steel.
S.W. Farmer Group Ltd.
Courthill Road, Loughborough, Leicestershire LE11 6HD, England. Telephone: 01-524 4394 Telex: 262479
Colour brochures illustrating the international engineering capability of the Group are available on request.

COGEFAR
COSTRUZIONI GENERALI S.p.A. - MILANO
Bastioni di Porta Nuova, 21
20121 Milano - Italy - Tel 02/312
Telex: COGEFAR Milano
Telex: 310758 COGEFAR I
COGEFAR, a leading International Contractor.
Since 1959 they operate in all civil engineering fields, both in Italy and abroad.
During this period, COGEFAR has carried out the construction of dams and hydroelectric schemes, tunnels, airports, railroads, underground railways, harbours, highways and bridges, land reclamation works, industrial buildings and pre-fabricated buildings.
Branches and Associated Companies in: France, Switzerland, Algeria, Camerouns, Malawi, Zambia, Iran, Australia, Canada, El Salvador, Guatemala, Honduras.

Competition from the Far East

BRITAIN STILL ranks as one of the top half dozen contenders for the world's largest construction contracts but its position within the six is under fierce competition and could well be slipping.

With new orders slowing down in areas hitherto most active—the Middle East, for example—competition is intensifying and, in many cases, other countries are better placed to win the orders.

The greatest success story of them all is that of South Korea. A recent study by the international accountants, Peat Marwick Mitchell, of the major contracts let by the eight Gulf countries in the 16 months to last November, shows Korea comfortably top of the list with 16 per cent of the total.

Korea managed to win just on £4bn of total contracts worth £25bn. Next came France which was awarded £2.6bn or 11 per cent of the total, and the US with 8 per cent or £1.9bn.

The next three overseas competitors, closely hunched together with respectively, 7, 6 and 5 per cent of the total, they are Japan, West Germany and the United Kingdom.

Just behind them is Italy with 3 per cent of the orders worth \$800m—a strongly competitive position and one which is often

under-estimated by the British. Britain's overall position amongst Gulf contractors, of course, disguises widely differing performance in each country. In the United Arab Emirates the Peat Marwick study suggested that the UK had nearly 40 per cent of new orders; about 12 per cent of new business in Qatar; and about 9 per cent in Bahrain. Perhaps fortunately in the light of the political deterioration in Iran, Britain's share of new orders there last November was a mere 1.4 per cent.

More worrying was Britain's low performance in Saudi Arabia, the biggest spending country, which placed 54 per cent of the total £25bn orders during the period. Britain managed to secure only 3 per cent of them.

In other parts of the world—conspicuously in the old colonial areas—Britain has a dominant position. Nigeria is one of these, although even there the Italians are also highly visible.

Hong Kong, Thailand and Indonesia have also been fruitful areas for UK contractors especially in the civil engineering projects of the development programmes.

But again, South Korea and

particularly Japan, are fierce competitors. Japan's involvement in the economy of Indonesia completely overshadows all other countries and its interests range much further than mere tendering for contracts.

Japanese investments account for a third of all Indonesia's foreign investment though the aftermath of the recent devaluation may have caused the Japanese to think again about such great exposure.

Japan and West Germany are the front runners in the newest of all the arenas—China. Although Britain is competing—frequently with success—for the contracts at the top end of the scale such as the \$36m oxo-alcohol plants to be built by Davy Powergas—it still lags behind these two.

The Japanese believe that by 1985 trade with China could amount to 10 per cent of total exports and they intend to support this trade by earnings from and participation in the greater part of the development programme in China.

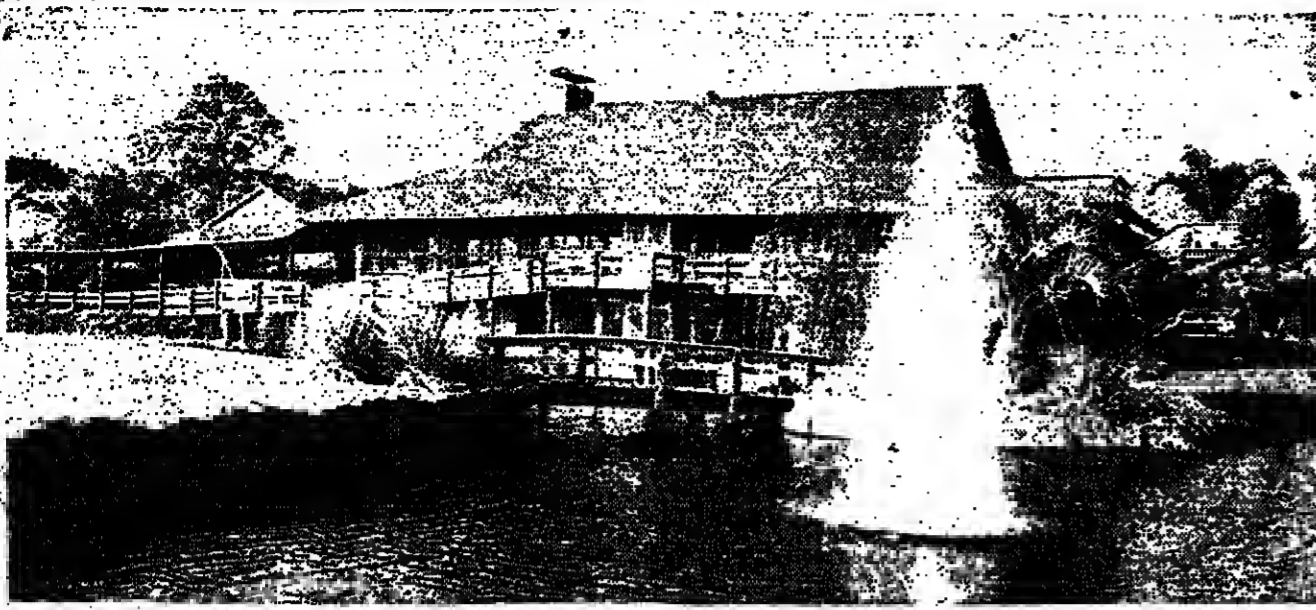
FLORIDA DEVELOPERS CONTRACTORS
From 1-acre sites to enough land to build a city. Joint ventures with successful local builders can be arranged.
More than 1,500 requests for competitive tenders sent out each year, from a five-home unit to substantial municipal and state developments.
For further information please contact
Barry Stanbury
Florida Real Estate of London
148 Hammersmith Road, London W.6
Tel: 01-741 1746 or 1096

C. M. D. G.
Consulting Management Design Group
A comprehensive service for projects at home and overseas in all fields of building and civil engineering
88 Baker Street, London W1M 1DL
01-935 4211 - Telex 282812
and at Manchester, Birmingham, Barcelona

EX-PATRIATE EMPLOYMENT
With costs increasing, it is more important than ever to seek professional guidance. For some years we have provided help to companies operating overseas, everywhere from Australia to Zambia. If you are thinking of working overseas, we could help you.
Write to:
CPR INTERNATIONAL EMPLOYMENT,
STAMFORD HOUSE, 66 TURNMILL ST., ECI.

The Complete Human Package
CONSTRUCTION OVERSEAS CERTAINLY MAKES LARGE DEMANDS ON PLANT AND EQUIPMENT BUT NO MORE SO THAN ON PERSONNEL.
IF YOU ARE RESPONSIBLE FOR PRODUCTIVITY—CALL US.
THE MECS GROUP, EMPIRE HOUSE,
414 CHISWICK HIGH ROAD, LONDON W4,
TELEPHONE: 01-995 8921 TELEX: 885583 MECS G.
OUR SERVICES INCLUDE:—
RECRUITMENT
TRADE TESTING
SELECTION
GOVERNMENT DOCUMENTATION
MOBILISATION
TRAVEL
COMPLETE ACCOUNTS
PERSONNEL ADMINISTRATION
WELFARE
CATERING
ACCOMMODATION
DE-MOBILISATION
mecs

OVERSEAS CONSTRUCTION V



Country Club at Taylor Woodrow Homes' 1,313-acre housing development at Sarasota, Florida. The site includes 3,910 homes, a 160-acre golf course and 72 acres of lakes. Taylor Woodrow began building homes in the U.S. in 1937

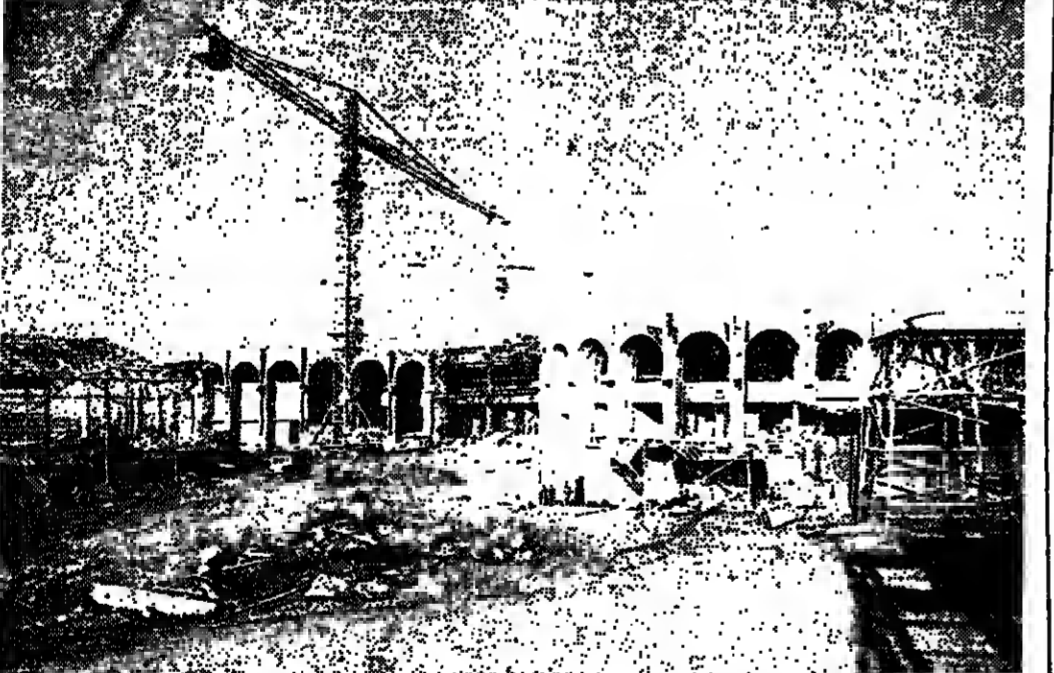
Growing interest in U.S. market

may not be among the world's most developed markets to penetrate, difficulties of operating in a highly competitive market have not prevented numbers of international contractors from scanning the world for new opportunities, now the Middle East market is and the prospects for stability in that market have again become imperious. The problem is that there are alternatives, with the growth and levels of expenditure experienced elsewhere in the world. Whether for "fashionable" or because of business logic (and combination of both) the U.S. is a potentially rich market for competitors. It will be no easy task, however, in a market which has developed and matured construction techniques which have led to the use of its technical expertise in the world. The huge U.S. design organisations, such as Bechtel, capable of the most challenging engineering or high-tech projects — with a reputation for providing a high level of management skills — have been perfected to a high standard. The American ability either to lead or to follow, the best in the world has to be added. In addition, market competition in the UK has been high and output levels down. In an intense and changing market, the problems of taking on contracts in their home countries are particularly acute, although some of the major American and European companies have been successful in the latest world of contract opportunities beginning to open up in the U.S. These have been treated as a valuable and growing market for many years. The major international engineering contracts have been in the U.S. and have been more successful in their operations than Woodrow, which has been operating since 1937. The company has no less than 10 subsidiary companies in the U.S. and holds a 46 per cent share in the Taylor Woodrow Construction Corporation, which was incorporated in 1962. As a general contractor and engineering interests in property and management, the group is well-known in the U.S. as a growing source of business — as in the beginning of 1979, Woodrow announced the acquisition of three new companies in the U.S. The principal subsidiary is Taylor Woodrow Energy Services, which is competing for work in all energy-related fields.

The other companies are Taylor Woodrow Minerals and Taywood Mining, operating in the coal and mineral mining sector. Work has started on the first open-cast mining project to be undertaken by the new companies in Kentucky. By 1982, when the operation comes fully on stream, a million tonnes of coal a year will be extracted. In California, Taylor Woodrow Homes is in the planning stage of a 266-acre community scheme in Orange County and is also building homes in two other California locations. On the other side of the country, the company's luxury homes development in Sarasota, Florida, has now been completed. In the property sector, the company has opened an office in Atlanta, Georgia, and completed sites as well as development projects form a part of the portfolio. Operations extend from South Carolina to Georgia and Texas and a spread of developments in the south-east and west coast regions of the U.S. is being built up. Taylor Woodrow was also launched on an industrial building programme and has recently acquired a 30-acre site at Visalia, in California, on which units will be available for lease or sale. Few foreign contractors can claim to have achieved such an all-embracing penetration of the U.S. market, although several others have ambitions to follow suit. Among UK contractors already operating in the market

are big names such as Cementation and Wimpey, with other participants including operations, such as GKN Contractors — main contractor for a £20m car components plant in North Carolina. Even small UK operations, like the Hunting Gate Group, have plans for U.S. involvement. But it is not just the contractors who are treating the U.S. construction market as a potentially major source of business. Numerous building material suppliers are intensifying their efforts in one of the world's largest markets. Expansion Companies such as Ready Mixed Concrete see expansion in America providing a valuable addition to existing international markets. In February, it acquired the whole of the issued share capital of Piedmont Construction, a ready-mixed concrete operation in North Carolina and, in so doing, has established a base for U.S. operations. As part of its £50m expansion programme in America, Redland, the building materials and contracting group, has purchased Season-All Industries of Indiana, a deal arranged in conjunction with its West German subsidiary. The company, which has four plants, makes storm windows, doors and replacement windows. Redland has already bought an American roof fastening manufacturer and has U.S. subsidiaries in traffic engineering and traffic control devices. The

company's policy is aimed at offsetting the slower rate of growth in the UK and other European markets, a reasoning shared by many other groups confronting progressively tighter business opportunities in more traditional areas of operation. Similarly, Marley at the start of 1979 entered a partnership with the Jim Walter Corporation to produce concrete roof tiles for the U.S. market. By May, it was announcing that it was moving into the plastics industry via the acquisition of a Chicago company which, through a subsidiary, is one of the market leaders in "fashion plastics," covering modular furniture, kitchen, table-top and plant and horticultural accessories. At the time of the acquisition, Marley said the purchase was under consideration. British companies are not alone, of course, in appreciating the strengths of the U.S. market in terms of its size and wealth and investments and acquisitions are also being recorded by numerous European contractors and material producers and suppliers. But with prospects for the U.S. economy looking distinctly unhappy over the medium-term, foreign participants face a potentially difficult period in a market which has in any event never been easy. The principle of limiting investment in any one market — however large and powerful — is as likely to be adhered to in the U.S. as anywhere else. Michael Cassell



Construction work on the passenger terminal at Sharjah Airport in the United Arab Emirates. The main consultants were Sir William Holcrow and Partners and Halcrow International Partnership

Competition

CONTINUED FROM PREVIOUS PAGE

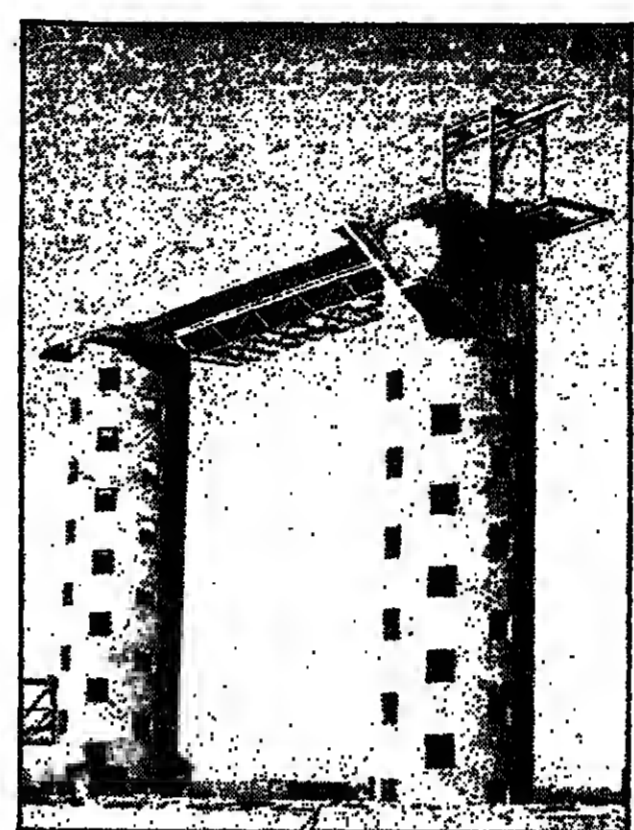
going to be ruthless and with suspicions already being voiced in Britain about the continuing political stability in China, British firms may not win the support needed at the political level to fight that competition. British contractors also complain of a lack of wholehearted support from Government in other parts of the world. They are given to blaming missed opportunities on the subsidies, incentives and encouragement offered their competitors by

their own governments even to the point of enabling them to take on loss making contracts. Korea has frequently been cited as an example of this, particularly in the supply of steel. But there is another side to the coin — a self-inflicted handicap. In many of the major overseas contracts, pricing between countries is so tight that performance — the ability to meet contract dates — is often the key factor. And there British companies are frequently accused of falling down. With the accumulation of expertise in the leading UK contracting and civil engineering firms, the accusation is generally unfair if applied to them. But it still applies further down the line to suppliers of components. In the Middle East stories are rife of British consultants being forced to order Korean steel not because of price (though that is favourable), but because British Steel could not meet large orders in one shipment because of union pressures against overtime.

The Italians also seem to have an ability to gear up manufacture and delivery of fittings for, say, hotels, where British companies prefer to maintain long order books and a steady work load. The Japanese and Koreans have also developed a fine cutting edge over other worldwide competitors by their ability to supply not just expertise and construction skills but also manpower. The European and U.S. firms limit their staff exports to a handful of key workers, relying on local labour to fulfil contracts. In many of the countries where the most profitable and largest contracts are to be found, suitable local labour is in short supply if not non-existent. Throughout the Middle East, the Koreans have proved time and again how much faster and better their own labour forces can complete projects. And that means repeat orders. Christine Moir

Kettaneh Construction

A history of successfully completed projects in the Middle East where Kettaneh Frères have been established since the 1920s.



Main contractors, partners in joint ventures and consortia and subcontractors for parts of complex projects.

Experienced in the execution of complete projects — turnkey — including electrical, mechanical and design work.

Licence holders for Stiemcrete slipform construction techniques.

Projects have been carried out in Lebanon, Syria, Iraq, Iran, Abu Dhabi and Saudi Arabia

Contacts: UK: 117 Piccadilly, London W1V 9FJ Lebanon: P.O. Box 110242, Beirut Iran: P.O. Box 256, Tehran Iraq: P.O. Box 2191, Alwiyah, Baghdad Jordan: P.O. Box 485, Amman UAE: P.O. Box 1470, Deira, Dubai Saudi Arabia: P.O. Box 383, Alkhobar or P.O. Box 2708, Riyadh

KOZANOGLU - CAVUSOGLU CONSTRUCTION CO. LTD.

INTERNATIONAL CONTRACTORS FOR:

- * HIGHWAYS
- * DAMS
- * HARBOURS
- * INDUSTRIAL BUILDINGS
- * HOTELS & HOUSING PROJECTS
- * REFINERIES & PIPELINES
- * WATER SUPPLY & IRRIGATION PROJECTS

HEAD OFFICE:
Kozanoglu - Cavosoglu Building
Zincirlikuyu - Istanbul
TURKEY
Phone: 669940 (10 lines)
Telex: 26474 Pad
26318 KCL

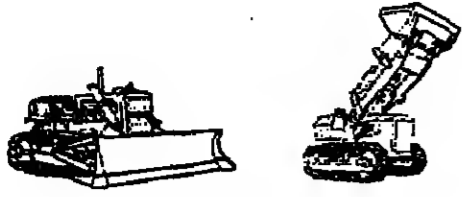
INTERNATIONAL DIVISION:
84, Brook Street, London, W.1.
ENGLAND
Phone: 491-1378
Telex: 22498 KCLG

BRANCH OFFICE:
6, Shara Jamahiriya
TRIPOLI - S.P.L.A.J.
Phone: 74539.
Telex: 20497 Alnahda

Liaison Offices: Geneva, Jeddah.

K/C Construction Co. Ltd. is the parent company of the Kozanoglu-Cavosoglu group of companies

Bovis
International Limited
Worldwide Construction
Phone: 01-995 8961 Telex: 895 2107 Bovisi



The Directors of
Sacsons Enterprises Limited
have pleasure in informing readers that they are leading exporters of all new and secondhand Caterpillar and Heavy Earthmoving Equipment and Spare Parts and would welcome enquiries.

Sacsons Enterprises Limited
Farnham Road
Bishop's Stortford, Herts.
Tel.: (0279) 54241/54484
Telex: 81489

DUNLOP THE INTERNATIONAL FLOORING SPECIALIST

... provide the Construction Industry in the Middle East and West Africa with a comprehensive service comprising ...

- * TRADITIONAL SMOOTH FLOOR COVERINGS
- * CONTRACT CARPETS
- * SUSPENDED CEILING
- * ROOFING SYSTEMS
- * RECREATION SURFACES

... available on either a SUPPLY ONLY, SUPPLY AND SUPERTISE or FULL SUPPLY AND INSTAL

Whatever the construction, wherever the location

DUNLOP SEMTEX LIMITED
will provide the finishing touch ... with style

For details please contact:
Overseas Division

DUNLOP SEMTEX LTD.

Brynmarw, Gwent, United Kingdom
Tel.: 49433 - Cable: "SEMTEX BRYNMAWR"
A subsidiary of Dunlop Holdings Limited

TEKSIS COMPANY LIMITED

Turkey's most experienced architectural & engineering consulting firm in the field of hospitals and educational buildings

tunus caddesi no:69/4 kavakidere ankara.turkey
tel: 26 90 74, 28 09 22, 27 81 05 (4 lines) - fb: 42769 tess tr

OVERSEAS CONSTRUCTION VI

Need for skilled workforces

THE SLOWING down of the construction boom in the Middle East, coupled with the continuing instability of the market in Iran, has meant a further easing of the problem of finding adequate and suitable supplies of labour.

In the wake of lower output, the labour market for all grades of construction workers in the Middle East has declined. However, the oil-rich nations will continue to depend on multinational workforces to undertake major development projects.

During the construction boom personnel recruitment—particularly of third country nationals—has become a more refined and developed process.

In a period of increasing competition for contracts, the quality of the workforce is likely to become a still more important factor. The mass migration of managers, craftsmen, semi-skilled and unskilled labourers began almost immediately after the last oil crisis which lifted the development aspirations of the Arab world.

However, plans for new projects also exposed the weaknesses of the Middle East labour market, the lack of indigenous skills and its inability to provide sufficient numbers of ordinary labourers.

Expatriates

The degree of reliance placed on expatriate labour by the Middle East nations is difficult to estimate precisely although some indications are given by the numbers of foreign workers now employed in some of the countries.

Abu Dhabi has about 40,000 labourers working in the construction industry and it has been estimated that the United Emirates as a whole now comprises 20 per cent UAE citizens and 80 per cent foreign nationals—although clearly they are not all involved in construction.

Bahrain's construction programme has led to a trebling of the number of skilled workers and technicians to over 30,000 and Saudi Arabia is now thought to be employing as many foreign nationals as citizens of its own, about 1.25m.

Saudi Arabia, with a local population of slightly more than 4m, may well need to recruit a further 500,000 expatriate workers by the early 1980s to complete its five-year plan. Until

recently, much of the skilled labour required for overseas construction was provided by expatriates working for Western contractors, but now Middle East countries are not relying so heavily on Western skilled labour. Neither are western expatriates so keen to be employed in the region.

The harsh environment coupled with social restrictions in certain countries have tended to discourage expatriate workers from working on Middle East contracts while high salaries have become less attractive when viewed against high living costs and substantial inflation.

The Middle East does, however, still offer opportunities for career advancement and job responsibility to the young manager which might not be available in the UK—particularly because of recession in the UK market.

The abilities and level of training of personnel in many Arab States has risen significantly in the last five years but most still cannot provide, from the domestic market, the scale and quality of manpower required.

Recruiting manpower on the scale required in the Middle East has not been without its own problems. Labour from third world countries has tended to be both relatively cheap and under-utilised with perhaps insufficient emphasis being placed on recruitment and specialised personnel administration on site.

The net for manpower has spread out through Asia, but the experiences of contractors have led to a number of wide generalisations being made about labour from particular nations. For example, Portuguese and Philippine labour are said to be very expensive to feed, while manpower from Turkey and Pakistan have been regarded as "difficult" to control.

Labour for the Middle East market has been drawn from throughout Asia and from as far away as Korea. However, contractors' difficulties in working with these migrant labour forces have been matched to some extent by growing restrictions by the supplying countries on the conditions of employment of their citizens abroad.

Korea, for example, has been a popular source of labour in the Middle East for the past few

years, however the country, as a source for trained personnel, has now almost "dried up". This is mainly a direct result of the Korean Government's ruling that Korean companies will be given preference over foreign firms when employing Korean labour.

The Koreans, working mainly in Saudi Arabia and Abu Dhabi, have won a reputation for being hard-working and reliable—as a result Korean contractors have been granted more than \$2bn worth of contracts. The Korean workforce in Saudi Arabia is now estimated to number about 40,000 people.

As labour from Korea has become more difficult to obtain and experiences of other expatriate workers have led contractors to be more wary, companies have increasingly turned to India with its vast population and 40m unemployed to provide new labour requirements. While this policy has been actively encouraged by the Indian Government, it has, perhaps more than any other nation, now imposed fairly strict conditions on potential employers, in order to protect Indian citizens.

Poor recruitment policies in the country of origin have undoubtedly led to some instances of bad treatment, misuse and sometimes acts of fraud against Third World workers and it was against this background that the Indian Government formulated a system designed to protect the overseas worker.

Under the Indian Government's regulations, formulated early in 1978, workers must receive at least basic rates of pay for different categories of jobs, the figures set and adjusted by the Indian Government.

Requirements

Employers are also contractually bound to give three months' notice of redundancy; they must also provide 30 days' pay, leave a year, offer free medical services and furnished living accommodation to each employee.

Free transportation to and from the site is also specified as a condition of employment and the employer must ensure that a minimum of 10 per cent of

his employee's salary is sent back to India.

Such a rigid system of control has been criticised, both internally in India by those who argue that the restrictions will simply reduce the chance of employment to large numbers of people without any other opportunities for work, and externally by those who argue that the numerous formalities in the scheme do not necessarily solve the problems of personnel once they arrive on site.

There is indeed some indication that employers are turning to alternative labour sources such as Pakistan, Sri Lanka and Bangladesh, but it is perhaps only a matter of time before these nations impose similar restrictions.

The Indian Government's stand is perhaps justified by the conditions under which some labourers have been expected to live and work in Arab countries. Although conditions have varied enormously (determined as much by individual contractors as by any individual government), it is questionable whether similar standards would be tolerated by Western labourers despite the fact that

in the main western contractors have maintained good standards of accommodation and food.

In contrast, the conditions of employment for European staff appear to be much better with many employers offering a wide range of facilities equal to any at home.

Middle East labour requirements have—because of their sheer size—created their own problems although it would be false to suggest that manpower problems are confined to this area of construction activity. The stories of problems for migrant Turkish and North African workers in European countries are now well documented.

Improved selection and recruitment procedures, coupled with better on-site personnel management, have certainly improved the labour standards for western contractors in the Middle East. In the longer term, the regimented discipline of the Korean workers, employed by Korean contractors, may indeed give them a decisive advantage in this increasingly competitive market.

Andrew Taylor

Insurance schemes to cover all risks

OVERSEAS CONSTRUCTION projects have become larger and more complex in recent years, often involving more than one contractor on a multinational basis. The insurance required for these projects has followed a similar pattern in becoming all embracing, complex and involving more than one insurer. The risk is now being spread world-wide, very much on a multinational basis.

With the amounts now being tied up in a single project, no contractor can afford to embark without having adequate insurance cover. Otherwise, even a delay could make him bankrupt. Contractors' all-risks policies have now become highly sophisticated to meet the needs of the contractors.

In the UK insurance market, constructional insurance risks are divided into two types. Engineering projects such as the building of bridges or nuclear installations are dealt with by the specialist engineering insurance companies or departments. The civil engineering projects, such as buildings or harbours, are covered in the fire and accident departments. On the Continent, the practice is to treat all construction as engineering insurance.

The Contractors' all-risks policy certainly cover all the main risks that are likely to be encountered on the project—destruction by fire, explosion, or even earthquake, damage to equipment and vehicles, and so on.

The insurance cover starts when the plans are delivered at the site and the risk ends when the project is ended and handed over to the purchaser. But modern contract conditions are now forcing contractors to seek cover beyond the traditional contractors' all-risk cover.

The contractor may be forced to use local materials which could prove inferior. He most likely has to sub-contract much of the work. He may well be fully responsible for breakdown or damage for a long period after he has handed over the completed project. He may have to pay out for delays in construction.

All these factors have forced the insurance industry to widen

the cover it provides. Maintenance cover beyond the normal period is becoming standard. Some companies are now offering certain forms of design damage cover since many contractors are being forced to use untried techniques in construction to save costs.

Normally, the contractors' all-risks scheme covers the sub-contractors' liability. But in many cases on overseas projects, the main contractors are forced to use local sub-contractors. Insurance was never designed to cover the cost of bad or faulty work. Hence the insurers are now being more selective in providing cover for work done by sub-contractors. Now only nominated sub-contractors are covered without further investigation.

British insurers have a long history of operation in this field and have formed close links with the main construction companies. The underwriting of a risk depends very much on the individual circumstances of the project. But the most important factor is the history of the contractor and his experience and success in the particular field. Close contacts between contractor and insurer are vital.

Other influences on underwriting are the climatic conditions, the local labour market and political scene and the type of project. Underwriters have tended in recent years to make one or two mistakes over climatic influences that have proved very expensive. The most famous example was the complete ignoring of the possibility of "flash floods" in Saudi Arabia. These resulted in roads, equipment and materials being swept away by these storms.

The imposition of penalty clauses for delays has added further dimension to contractors' all-risks schemes. The reliability of local labour is now crucial. The delays in repairing faults in vital machinery is all important. Insurers can no longer do everything from their UK offices. They need someone on the spot and they need the advice of experts.

Insurers would regard the provision of a loss prevention service as part of the overall package provided. It will save

them and their contractor clients money if accidents and delays can be prevented. The underwriters are backed by a team of experts in order to be able to assess the risk. Those same experts can advise the contractor on various matters to reduce risks, such as the siting of access roads, the need for standby machinery, and so on.

The experience of British insurers in this field has been a mixed bag. There is stiff competition for business and experience on major projects as a result has not been good. Premiums have been cut to the bone because of this intense competition.

Contract periods have become longer—three or four years is now the normal period. Experience tends to be good in the first year of a project and it is only in the final years that full exposure occurs. Yet the rates have to be decided often at the outset.

The insurance laws of the country in which the project occurs may make it obligatory that the insurance is placed in the first instance with local insurance companies. The risk comes back to the UK market in the form of reinsurance. This is a trend that is likely to continue as countries become more nationalistic in outlook.

Employer's liability insurance can cause a few problems. The contract is often operating by a multinational consortium headed by a particular contractor. He will tend to set the insurance pattern. But the level of employer's liability cover will have to conform to local laws.

But it will also have to meet the requirements of the country from which the employee came. For instance, a UK employee working in Saudi Arabia will need cover conforming to that applicable to either country, since in the event of a claim, he could sue the contractor in either the UK or in Saudi Arabia.

The consultants involved in the project need professional indemnity cover. The collapse of a bridge could have severe repercussions on the consulting engineer, if proved to be a result of a design fault. Product liability is now coming into

the picture. Contractors' all-risk policies conclude with the end of the project. But the risk of being sued can carry on beyond that date.

The insurance broker plays a very important role in the provision of insurance on overseas construction projects. His first task is to ensure that the contractor has the required cover at the best price.

Brokers are able to put together the various types of insurance needed and ensure there are no gaps. The major multinational brokers have established offices and contacts in the established and the developing countries. They have their own experts and can advise and recommend from the initial survey to the final completion.

Eric Short

Construction and Property Surveys 1979

The Financial Times is planning to publish a number of Surveys on construction and property. The titles and provisional publication dates are listed below:—

Property	23rd July, 1979
Building Materials	3rd September
Industrial Property	18th September
European Construction Equipment	29th October
City of London Property	23rd November
Building Industry	28th November
Property in the Midlands	7th December

The Financial Times publishes over 250 separate Surveys every year on a wide variety of subjects. The complete Survey schedule is available on request.

For further information on these Surveys please contact:—

Peter Highland (Construction Surveys)

or

Cliff Caunter (Property Surveys)

Financial Times, Bracken House

10 Cannon Street, London EC4P 4BY

Tel: 01-248 8000, extns. 360 or 234 respectively

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.



Symbols of our success

En-tout-cas is the British company whose very name has become the worldwide symbol of success in sports construction. From initial survey through every stage to completion, the unique experience and expertise of En-tout-cas has ensured success for almost every kind of sports project. We specialise in the design and construction of facilities, surfaces and equipment for athletics and all kinds of other sports. Whatever your sport, En-tout-cas is a great name to have on your side.

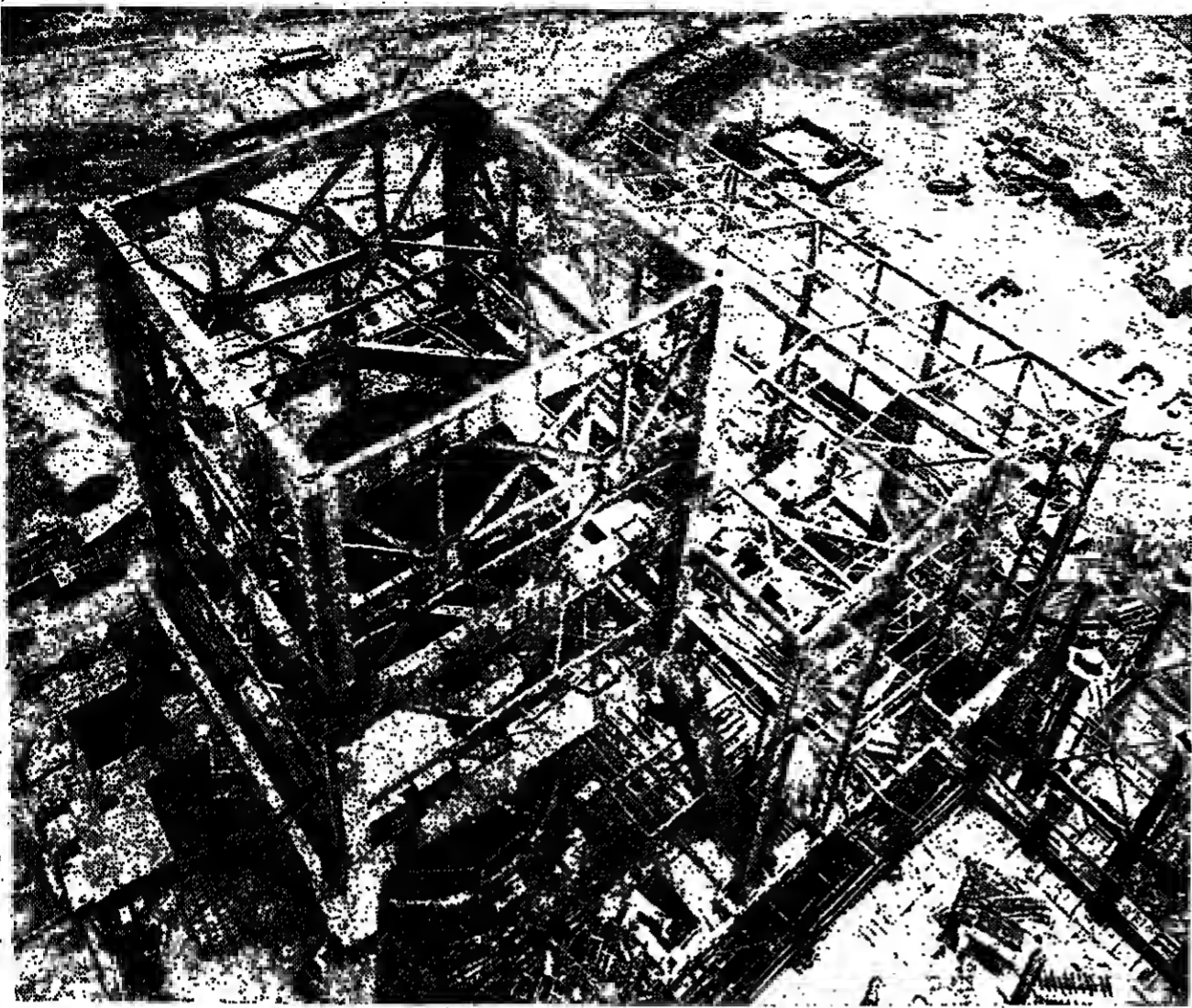


A great name to play with
En-tout-cas Limited, Syston, Leicester LE7 8NP, England. Tel: (0533) 696471 Telex: 342243 Entout G

ألا عا حلا

OVERSEAS CONSTRUCTION VII

هناك من الخط



proceeding on the new blast furnace at Acominas, a massive development at Ouro Branco, in Brazil

Complex problems of finance

...NDING of overseas work has never been exercised for the count in recent months on has become even less.

...s in Iran, and al uncertainties in reses markets, to ch volatile interest ments in the UK: g in a two point minimum lending rate cent), set against a l of a strong pound, ed more than their of problems.

...centrated the mind: seas contractor, wou- rlier this year was political crisis.

...Iranian troubles the Export Credits Department, a UK ent department to help exporters provision of insur- variety of guaran- end its cover on new at was going to the commitments that given on behalf of s were not affected, lies were asked to the department of further shipments d under existing

...itions

...the third largest which the ECGD he amount it has at country has been t £900m.

...ly, the problems in some debate about variety of guaran- tions of ECGD

...t common criticism ment of claims is delayed while the claims is tested.

...exclusion clauses all print can some- that a company is anes.

...for a particular set anes.

...riticisms: however, when set against the vices that ECGD pro- e exporter.

...insurance support

to the overseas contractors is a constructional works guarantee. The policy relates to contracts with Governmental bodies, and provides a flat 90 per cent on losses due to default of the Government employer (or client), including delay in the transfer of sterling payments.

It provides cover for war between the employer's country and the UK; war, revolution or similar disturbance in the employer's country; imposition of import or export licensing (or cancellation of an existing licence) for goods or materials manufactured or purchased by the contractor after date of contract, for use on the contract, but for which, at date of loss, the employer has no obligation to pay under the contract.

It covers additional handling, transport, or insurance charges due to interruption or diversion of voyage on goods or materials shipped from the UK, if the charges cannot be recovered from the employer; and, within limits agreed with the contractor, the employer's failure to pay to the contractor sums awarded in arbitration proceedings under the contract.

Similar cover can be arranged on work for private clients, but in place of the cover on default of the government employer there is cover on 90 per cent of loss in respect of insolvency or protracted default on sums due under the terms of the contract, and on 90 per cent of loss from delay in the transfer of these payments.

The premium levied on the insurance cover is charged on the total of the estimated basic contract price and all such additional sums, and includes a provision for the proportional refund of premium where the actual contract price (subject to a stipulated minimum) and interest charges fall short of the estimate.

A relatively recent innovation has been the introduction of a "joint and several cover" to provide support for a UK company participating with other companies in major projects. It is available for projects with a

minimum contract value of £50m, where they are judged to be "of exceptional national interest." It enables estimated sums in the tender price to cover such risks to be reduced to the level of the ECGD premiums, and thus make the bid more competitive.

The facility can be taken advantage of by main contractors in relation to UK sub-contracts amounting to 5 per cent or more of the total project value, or it can be adapted to cover UK members of consortia or joint ventures.

Liability

The cover indemnifies the insured contractor against cost over-runs which are judged by ECGD to be unavoidable and irrecoverable incurred for reasons outside the insured's control in connection with sub-contracts. The amount of the cover provided is 30 per cent of the admissible losses with a maximum liability of 20 per cent of the total UK value of the project contract.

Premiums charged for this facility is arranged in two parts: a fixed sum of \$5,000 which is unreturnable; while the main premium is levied at £2 per £100 of the total UK contract value.

In addition, ECGD provides cover for the performance bonds which are usually required by overseas clients.

Performance bonds are basically a guarantee given by a bank on behalf of a contractor in respect of a percentage of the value of the contract he is undertaking. If performance on the contract is regarded as deficient, the customer can receive immediate part-compensation in cash by calling in the bond.

Although ECGD does not provide bonds, but gives support by means of an indemnity to a bank or surety company which is willing to issue the bond. Under its indemnity, ECGD is unconditionally liable to reimburse the bond giver in full for the amount of bond called.

The banks, in turn, regard

performance bonds as part of the contractors' overall debt profile which, in turn, restricts the amount of financing they can utilise for working capital requirements.

Another drawback is that the maximum amount of cover that a contractor can gain is usually 90 per cent on the contract value which means that a company's balance sheet has to bear the strains on a 10 per cent exposure in the event of a major hitch.

With contract values constantly rising, this proportion of the exposure can often be an onerous burden to the overseas contractor.

The complexities of financing arrangements are compounded by the fluctuations of interest rates. Overseas markets are competitive, margins are wafer thin, and the cost of borrowing high.

In these conditions the overseas contractor has to be certain that he can service the debt, as well as produce a return which is likely to prove that his overseas initiative is worth while.

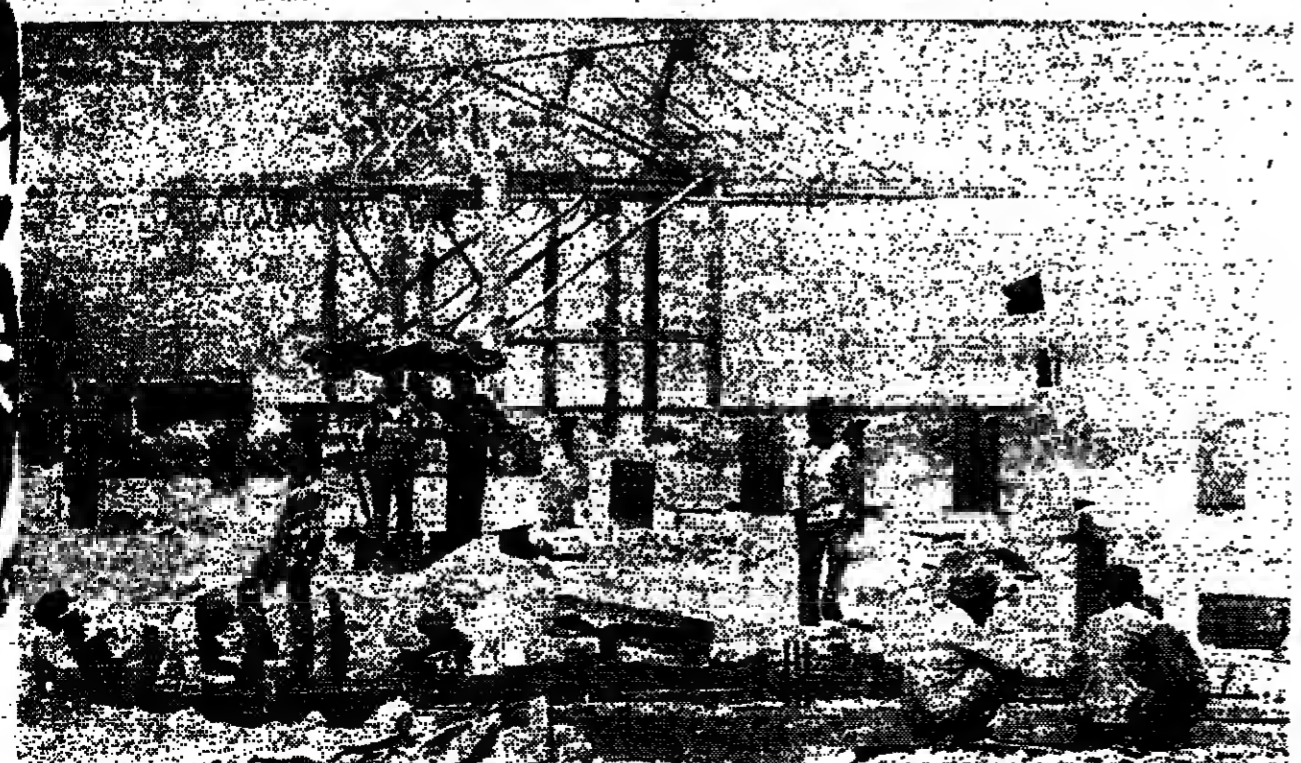
In these circumstances many contractors have decided on less ambitious forays into overseas markets and concentrated on making sure that their own internal finance can cope as far as possible.

But if bank interest rates are always a source of concern for the overseas contractor, another is the lack of specialists that banks possess to deal with the problems of the contractor.

As development projects grow more complex, involving long-term finance, more technological expertise is required among the bankers to appreciate the problems. There is a growing desire among contractors and engineers that bankers should participate more closely in negotiations, especially where important government or other major projects are involved.

The banks may take issue with such an argument, but from the contractors' point of view it would provide considerable advantages.

John Moore



port at Mina Jebel Ali, under construction by Gulf-Cobra for the Ruler of Dubai. The port, with 66 berths, is due for completion in February, 1981.

CONSTRUCTIVE ADVICE.

Komatsu makes 75-ton Bulldozers. Small 2-ran Dozer Shovels. Swamp Bulldozers as well as Swamp Dozer Shovels. Dozer Shovels. Radio-Controlled Bulldozers and Dozer Shovels. Electric Powered Dozer Shovels. A wide range of Pipelayers. Amphibious Bulldozers. Wheel Loaders. A wide selection of Off-Highway Dump Trucks. Slag Dump Trucks. And other Motor Graders. As well as Motor Scrapers. Soil Compactors. Trash Compactors. Towing Tractors. Vibratory Rollers. Diesel Generator Sets. Portable Air Compressors. A wide selection of Diesel Engines. Machine Tools. Mechanical and Hydraulic Presses. A variety of Maypress Presses. OBS Power Presses. Tunnel-Boring Machines.

We're constructive in other ways. We offer castings, foundries, and important advice on construction and manufacturing projects.

KOMATSU LTD.

Tokyo, Japan

Komatsu overseas offices: Singapore, Jakarta, Manila, Bangkok, Bangalore, Karachi, Seoul, Sydney, Ankara, Cairo, Alger, Dubai, Tehran, Baghdad, Jeddah, Riyadh, Ad Damman, Nairobi, Abidjan, Lagos, Johannesburg, Moscow, Warszawa, Brussels, Paris, Madrid, Düsseldorf, Stuttgart, London, Habana, Buenos Aires, Panama, Caracas, São Paulo, Mexico City, San Francisco, Oakland, Philadelphia, Detroit, Dallas, Atlanta, Chicago, Toronto, Vancouver, and distributors in over 100 countries around the world.

Edge-za-gee-ba-she

Sounds familiar?...

In Turkish "eczacıbaşı" (pronounced edge-za-gee-ba-she) means chief pharmacist. It is also the name of Turkey's largest manufacturer of pharmaceuticals, the field where Eczacıbaşı first established its reputation.

The Eczacıbaşı Group is now involved in a lot more besides. It has major interests in cosmetics, tissue paper products, ceramic sanitary ware, polyurethane insulation, tomato paste, tinned fruit and vegetables, welding electrodes, laminated packaging materials, etc...

Currently in a period of impressive growth, the Group is making substantial investments at a time

when the country is beset with economic difficulties - to consolidate the lead Eczacıbaşı has established in such fields as pharmaceuticals, paper and ceramic sanitary ware, to complement the Group's existing expertise in sanitary ware by expanding into related fields, such as bathroom and kitchen units, and to create new opportunities from the Group's specialization in the technology of ceramics.

Eczacıbaşı also means continuous growth... continuous expansion.

For further information please write to: Mr. C. Tokcan, General Coordinator, Eczacıbaşı Holding A.S., Büyükdere Cad.15/A, Şişli, İstanbul.



The Eczacıbaşı Holding Co.

- Wholly owned subsidiaries**
- ECZACIBASI ILAC A.S. Pharmaceuticals and cosmetics
 - İPEK KAĞIT A.S. Tissue paper products
 - ECZACIBASI SERAMİK A.S. Ceramic sanitary ware
 - ORTA ANADOLU A.S. Ceramic sanitary ware
 - OASA A.S. Marketing and distribution
 - ESAN A.S. Ceramic raw materials and non-metallic minerals
 - TESAR A.S. Valves and fittings for bathroom fixtures
 - GİRİŞİM A.S. Packaging
 - PADEKO A.S. Pharmaceuticals and polyurethane systems
 - REBAS A.S. Cosmetics
 - KAYNAK TEKNIKİ A.S. Welding electrodes
 - PETAS A.S. Laminated packaging materials
 - ABS ALCI A.S. Gypsum and gypsum products
 - ATLI ZİNCİR A.S. Chains, tire chains, wire products, pins and machinery
 - ANSA A.S. Antibiotics
 - PETETER A.S. Caustic soda, polyether polyols
 - TOPLU KONUT HOLDİNG A.Ş. Land development and housing
 - DİNKASAN A.S. Paper recycling
 - ALAMSAŞ A.S. Heavy machinery
 - TÖRK PİRELLİ A.Ş. Tires
- Other subsidiaries and associate companies**
- ECZACIBASI YATIRIM HOLDİNG A.Ş. An investment trust
 - İNTEMA A.S. Sanitary ware and building materials
 - DÖSAN A.Ş. Tomato paste, tinned vegetables and fruit
 - American Hospital Supply Corp., USA
 - AB Astra, Sweden
 - Beiersdorf AG, W. Germany
 - Biochemie GmbH, Austria
 - Bristol-Myers Co., USA
 - Coltco-Marwell Hinge A/S, Norway

ECZACIBASI HOLDING A.S.

- Büyükdere Cad. 15/A Şişli - İstanbul
Telephone: 40 21 50 - 40 29 14
Telex: Eczacıbaşı - Şişli - İstanbul
Telex: 22 243 ezh - tr
- Esab, Sweden
 - Fujisawa Pharmaceutical Co. Ltd., Japan
 - Giorgio Zeje S.p.A., Italy
 - Hase Schwabkopf GmbH, W. Germany
 - AB Leo, Sweden
 - Morton-Nowich Products, Inc., USA
 - Orto Chavon Chemical Co., USA
 - Ferke-Davis and Co., USA
 - Pharmacia International, Sweden
 - Philips-Duphar B.V., Netherlands
 - Richardson-Merrel Inc., USA
 - Rhone-Poulenc Industries S.A., France
 - Schering Corp., USA
 - Takeda Chemical Industries Ltd., Japan
 - AB Tetra Pak, Sweden
 - Upjohn International Inc., USA

Braham Millar Group
Suppliers of construction & quarry processing equipment to the world

The Braham Millar Group's lively export policy has resulted in 50% of their last year's production being shipped to the four corners of the globe.

Names like Bristowes, Millars, Nagara and Nilsson, the Braham Millar group of companies, are renowned throughout the world for their quality products:

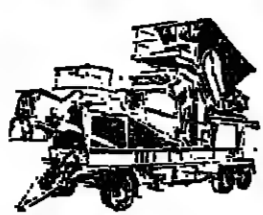
- Asphalt Plant
- Aggregate Processing Plant
- Concrete Plant
- Concrete Mixers
- Vibratory Screens
- Chip Spreaders
- Road Trazer Heater/Planer
- Dust and Pollution Control Equipment



Mobile Asphalt Plant



Mobile Concrete Plant



Mobile Crushing Plant



Head Office: Clay Hill, Enfield, Middx. EN2 5JQ. Tel: 01-363-8622.
Group Export Division: P.O. Box 3, Bishops Cleeve, Here, England, CM23 3JZ.
Tel: 0279 53134. Group Telex: 81206. Bamil G.

MANPOWER-PAKISTAN

Are you looking for professionals?
Contact the professionals for your manpower needs.

We supply all categories of workforce from unskilled to skilled and also highly qualified personnel. We also undertake catering contracts and camp management.

We have recruited over 10,000 workers for H.M. British Government ministries and large numbers of internationally reputed civil engineering companies operating in the Middle East.

For further details please contact:

M. Anver Baig, Chief Executive, Jan Mohammed & Sons
International Recruitment Consultants
P.O. Box -013, Karachi, Pakistan

Established 1943

37 DECADES OF
PROVEN RELIABILITY

Tel. 227740/233520/239643
Cables: ALARAB KARACHI
Telex: 24545 Baig PK.

COSTAIN HAS BEEN IN THE MIDDLE EAST SINCE 1935.

AND IT SHOWS:

- Airports
- Bridges
- Complete Industrial Processing Plant (Ammonia, Cement, Desalination, Steel, Gas Treatment, Lube Oil and Natural Gas Liquids; Gas Compressor Stations; Oil & Gas Production Facilities.)
- Container Handling Facilities
- Defence Projects
- Dredging
- Drydocks
- Educational Buildings
- Fuelling Depots
- Government & Commercial Buildings
- Harbours
- Hospitals
- Housing
- Land Reclamation
- Marine Defences
- Piling
- Pipelines (Land & Submarine)
- Power Stations
- Railways
- Roads
- Site Investigations (Onshore & Offshore)
- Tunnels
- Water Supply, Sewerage and Drainage Schemes



COSTAIN GROUP LIMITED
111 Westminster Bridge Road London SE1 7UE
Telephone: 01-928 4977 Telex: 821804 COSDON G
Offices in Abu Dhabi - Dubai - Oman - Saudi Arabia

Material suppliers seek new export markets

THE DOWNTURN in UK construction work has led many contractors and building material suppliers to look overseas to replace any softening of profits on the home market.

But with many large items like bricks and cement it is a costly and lengthy exercise to export, and this has meant that building material companies wishing to trade overseas, particularly in the booming development markets, have had to bear their share of building new manufacturing plants in these countries.

This can prove a risky business—as many contractors and suppliers have found to their cost in Iran—given the politically unstable climates in many of the Third World countries where development potential is greatest. Not only do British manufacturers operating in these countries have expensive assets at risk but there are often problems of finding a suitable partner to operate the plant. Even if these difficulties are overcome the company still has

to repatriate its share of profits back to the UK—and this, too, can be a lengthy process, while countries such as Nigeria can all too readily decide to nationalise at least part of the business.

Thus, while the potential of these markets cannot be ignored, British suppliers are also well aware of the risks they may be taking by investing cash in overseas projects.

However, it would be unfair to paint a completely bleak picture of the overseas development markets, which have provided in many cases a more than useful cushion against the downturn in UK construction activity.

The problem facing companies trying to export materials direct from the UK was perhaps best summed up by London Brick, which three years ago produced figures showing that in one case where a price had been given for delivery to Riyadh in Saudi Arabia, the transport charges worked out at 41p a brick—21 times the ex-works price of the bricks themselves.

But the export markets should not be dismissed. Building materials embrace a wide range of products from door knobs to structural steel supports, and the smaller products are easily shipped. It can even be economic in some cases to ship bulkier products like cement. Of a total world consumption of cement estimated last year at around 700m tons, approaching 40m tons was shipped direct from one country to another.

Demand

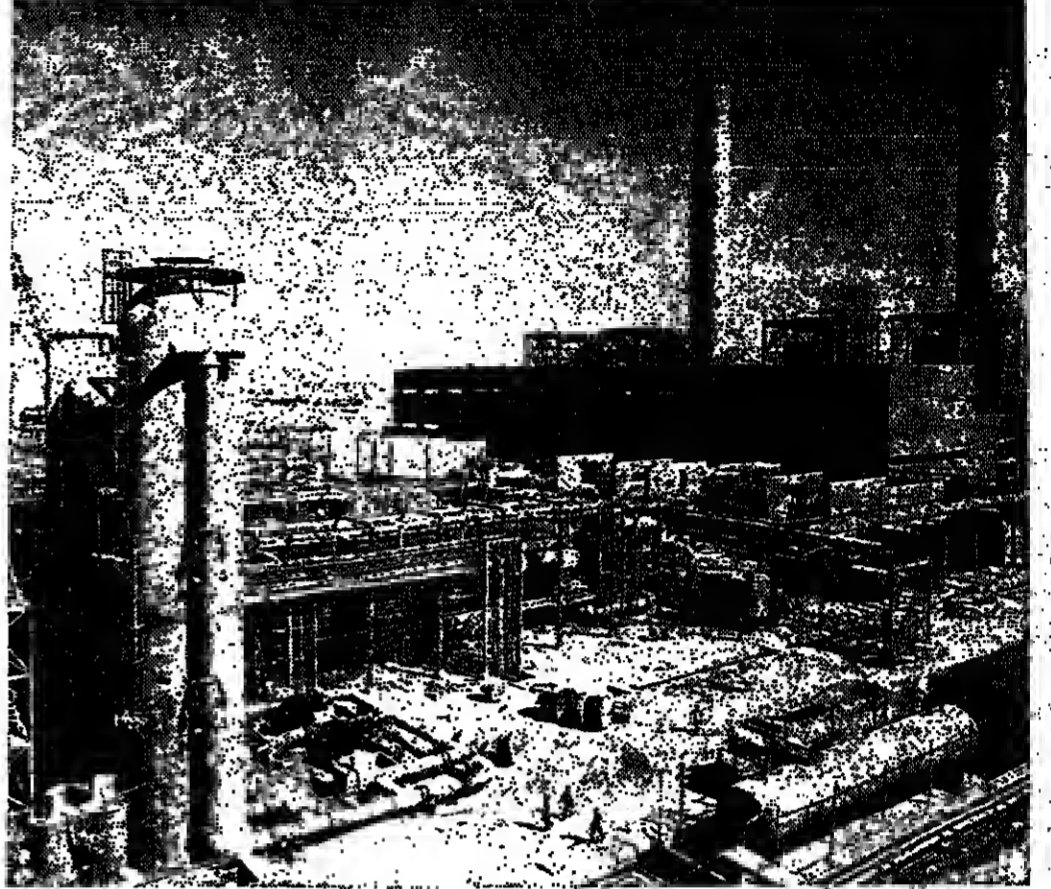
However, UK suppliers may find life a little tougher in the immediate future. The rising value of sterling is continuing to blunt the competitive edge across the whole range of British goods, while a number of important export markets are looking a lot less buoyant these days.

A spokesman for the National Council of Building Materials Producers said that there are clear signs that the "flattening-out" in the level of construction work in the major Middle East markets is continuing.

In Nigeria, another important development market, some British suppliers report a marked slowing down in activity as the country's economy moves into recession. London Brick, for example, has just trimmed its operations in Nigeria. The group also has a 20 per cent stake in a brick works in Iran. But here prospects look perhaps a little brighter than for many construction companies with investments in Iran. London Brick's stake is in a plant with two brick kilns one of which had been working for around 12 months when the troubles erupted. Brick production has now restarted at this kiln, and it is hoped that the second will be fired shortly. However, there is always the fear that the new authorities will attempt to nationalise businesses with overseas interests.

The group has also had problems in Abu Dhabi where it has presently closed down its operations, and its difficulties in Nigeria, Iran and Abu Dhabi led to £200,000 extraordinary loss last year. Against this the group's traditional UK brick business performed well, with a recovery in UK private house-building last year. The Croydex housewares and garden products generated export sales of £4m, and total group pre-tax profits rose from £12.2m to £14.1m in 1978.

London Brick's recent experience in Abu Dhabi, Nigeria and Iran ideally reflect the risks and problems facing UK suppliers looking overseas to reduce dependence on a home market, although London Brick's overseas exposure is much less than some suppliers.



A desalination and power plant under construction at Jeddah, in Saudi Arabia. The civil sub-consultants are Sir William Halcrow and Partners, with Ewbank and Partners as consulting engineers. Ewbank has strong involvement in the Middle East and has recently won new contracts in Malaysia, Venezuela and the Bahamas.

Blue Circle Industries—formerly Associated Portland Cement—last year earned just over half its £51.6m pre-tax profit from its overseas operations.

North America remains its most important overseas market generating around 20 per cent of total group profits, with Asia and the Middle East generating a further 14 per cent and Africa 15 per cent. At the end of last year Blue Circle announced that it had completed financing arrangements for a further three major overseas projects, together valued at £175m. These were in Mexico, Malaysia and Nigeria.

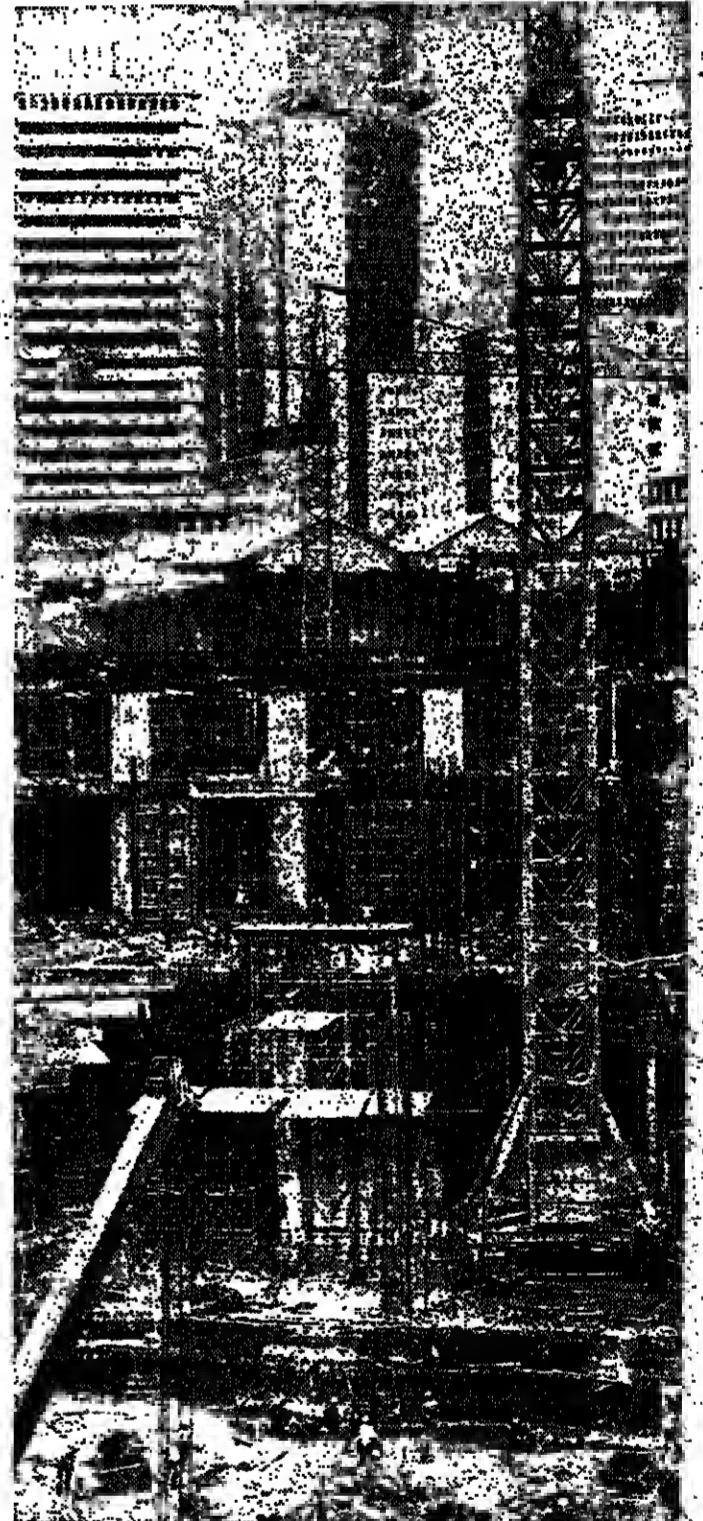
Redland with pre-tax profits of £39.4m in 1977-78 is another major UK building materials group with very strong overseas interests. Its last report and accounts showed that only just over a third of total profit is generated from UK sales. Its major overseas market is West Germany, which generated 38 per cent of group profits, although this share has declined in recent years. In 1974-75 West Germany contributed exactly half of group profits, although profits across the board were generally lower that year.

The group has recently embarked on a U.S.\$100m shopping spree in the U.S. and as a first step announced in March this year that it had agreed to proceed with a \$29.2m (£14.4m) takeover of Season-All Industries, the U.S. manufacturer of aluminium storm windows and doors.

Marley is another British company which is generating an increasing share of its profits from overseas operations. Sales from abroad last year were £38.4m out of a total turnover of £251m. Chairman Mr. O. A. Aisher said in Marley's last annual report: "We are actively searching for new investment opportunities particularly in Europe and North and South America. In the not too distant future it is likely that Marley will be employing more capital abroad than at home."

Given the current decline in activity in the Middle East and Nigeria and the apparent virtual loss of an important market like Iran, competition to find new overseas business will increase. The Far East may be one market that British suppliers should be looking at. But the prospect of future rewards will have to be weighed against potential risks.

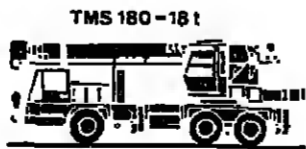
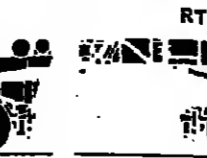
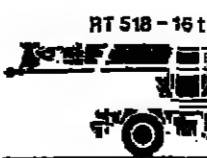
Andrew Taylor



Work in progress on a station for the Hong Kong Mass Transit Railway which, by the mid-1980s will be carrying an estimated 1.8m a day, or about 40 per cent of the population of Hong Kong and the New Territories.

NUMBER ONE...

THE WORLD'S LARGEST MANUFACTURER OF HYDRAULIC TRUCK MOUNTED, ROUGH TERRAIN AND INDUSTRIAL CRANES.



GROVE CRANES LIMITED

COWLEY OXFORD OX4 3LP · TELEPHONE 0865 776271 · TELEX 83172

التمويل

America on the edge of recession

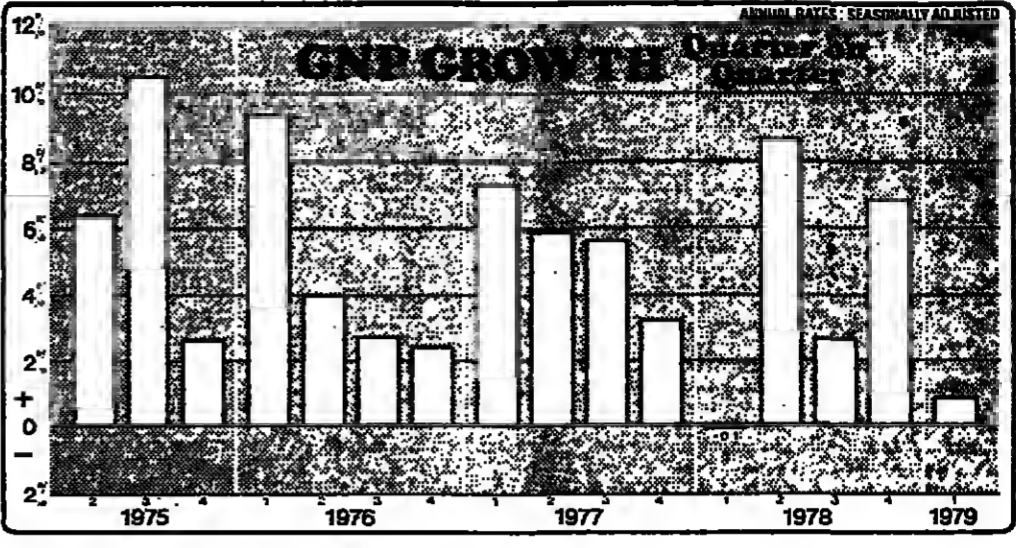
Y senior White House not one of the economic takers, was waxing eloquent about a pre-Tokyo summit last week on the consequences of the challenge of the industrialised world...

are those in Washington who believe that Mr. Blumenthal, as he presides over the putting-together of the Administration's mid-year economic review...

induce some second thoughts. Industrial production rose again, as did housing starts and orders for durable goods.

the lack so far of a notably successful exports drive. But Mr. Blumenthal was none the less emboldened to issue what might be described as a veiled hint—much more subtly delivered than in his celebrated and losing confrontation of earlier this year—that the Federal Reserve should not move to relax monetary policy.

over a protracted period can be easily managed. The possibility of energy problems causing a downward lurch of economic fortunes poses some serious questions about the Carter Administration's abilities to control events.



earlier, Mr. Michael Blumenthal, President Carter's Secretary, was putting terms in more cautious terminology. The 35 increase of oil prices...

By and large, at least not quite recently, the dollar remained in good condition, relieving some of the inflationary burden as well as substantially contributing to the fact that the balance of payments on current account actually shifted into surplus for the first time in more than two years in the first quarter.

Severe winter

There clearly were some extenuating circumstances in the first quarter, especially the severe winter. But when the April indicators came in—with huge drops of industrial production, housing starts, car sales, orders for durable goods...

year — were not unhealthy, though there is disagreement whether funding is going to finance industrial development or merely to roll over accounts receivable.

It is anybody's guess at this stage what all this means for second quarter growth. Official and private estimates range from anything between 2 per cent growth to 2 per cent contraction...

Wage settlements

The outlook is perhaps less encouraging when considering Mr. Carter's anti-inflationary policies. A key element in the energy bill and price guidelines system—the use of Government procurements sanctions against violators—is being argued out in the courts.

designed to induce moderation in those making wage claims. Some of Mr. Carter's economic policy tools, therefore, are looking a bit blunt.

even though every poll suggests that the public now feeling hard done by the petrol crunch, believes them to be the fairest solution.

unnecessarily expensive, thus spurring inflation. He says he has no intention of making the same mistake again.

Backbone

If Mr. Carter's backbone in this regard required stiffening, which maybe it does not, then the force to do it these days indisputably is Mr. Blumenthal's. The Treasury secretary has had a roller coaster ride in Washington...

Thus when Mr. Carter makes his economic exposition to the six other heads of state in Tokyo, he will probably tell them little that they do not already know.

Letters to the Editor

English case

John Baker White, some years now able strikes have been in Europe as "The Disease". Now we seem to be developing another kind of strike, on the Board of Directors... The reaction of the government with its swingeing direct taxation...

After presenting their statements they would have been cross-examined by the panel of MPs representing the major political parties. The organisers had hoped that the hearings would have improved the Housing Bill...

Water down the drain

Water down the drain. Sir, The Prime Minister has announced that her administration will take early action to ensure that local government bodies learn to operate without waste...

Compensation from Giro

From Mr. Alan Reynolds. Sir.—In the exchanges in your columns about the adequacy of the Post Office's Two Codes of Practice, no mention seems to have been made of the complete omission from these Codes of Giro service...

Real petrol economies

From Mr. C. J. Corrie. Sir.—Some 20 years or so ago, in Sweden, I was driven in a SAAB car having an experimental "gallons-per-mile" indicator. Such an instrument would probably do more to reduce petrol consumption...

Definition of money supply

From the Vice-Chairman, Greater London Young Conservatives. Sir.—In your leader of June 21 entitled "The Old Lady's old methods"...

Comparative crash costs

From the Director-General, British Safety Council. Sir.—Whilst I am sure it may not have influenced anybody it is nevertheless a fact that the damage to a product liability claim...

Europe, where damages are limited by the Warsaw Convention. James Tye, National Safety Centre, Chancery Lane, W.C.2.

Statutory control of the fiduciary issue would force the Government to manage the budget, and thus the PSBR, within market forces. The option literally to print money...

Through your columns I call on Sir Geoffrey Howe to introduce a new Currency and Bank Notes Bill...

Is not the most economical cruising speed likely to be a function of engine size and of the power-to-weight ratio of the car?

Among others, I have expressed in your letters column concern about the correct definition of money. The M1 and M3 are indicators of the velocity of circulation...

It is refreshing to see in the Bulletin a recommendation by three members of the Bank's Economic Intelligence Department that direct control of the monetary base...

The effect of this on pensions has already been noted. This, however, is minor compared with the confusion and damage that could be caused in the wages negotiations...

Which is exactly what we'd like to do for you. Before you do business with the world, you'll find it profitable to do business with us.

Which is exactly what we'd like to do for you. Before you do business with the world, you'll find it profitable to do business with us.

family (the sort on which the Retail Price Index is based). This would restore some reality to the Retail Price Index and set the forthcoming wage negotiations in a more rational context.

From Mr. Roger Coz. Sir.—Mr. Edmund Bruce-Barker's well-informed article (June 18) on the "upheaval" in cash register design...

Point-of-sale payments

From Mr. Roger Coz. Sir.—Mr. Edmund Bruce-Barker's well-informed article (June 18) on the "upheaval" in cash register design and marketing made one significant omission...

Rights issues

From Mr. P. G. C. Fletcher. Sir.—It seems to me that Dr. Paul Marsh (June 15) misses the point of Lex's article (June 9) on Rights Issues.

It was this incompatibility between the interests of the company and the shareholder as an investor which Lex so ably illustrated and which deserves greater study.

GENERAL

- UK: Confederation of Shipbuilding and Engineering Unions conference opens, Llandudno (until June 29). Insurance aspects of offshore oil and gas, two-day conference, speakers include Mr. K. D. Duffy, Commercial Union Risk Management chairman, London. Overseas: Organisation of Petroleum Exporting Countries meets in Geneva.

Mrs. Margaret Thatcher flies to Tokyo for world economic summit (June 28-29).

Today's Events

- OFFICIAL STATISTICS: Unemployment and unfilled vacancies (June, provisional). PARLIAMETARY BUSINESS: House of Commons: Motions on Wales Act 1975 (Repeal) Order and Welsh Select Committee. Casting Industry (Scientific Research Levy) Amendment Order. At 7 pm, opposed private business. House of Lords: Army, Air Force and Naval Discipline Acts (Continuation) Order.

COMPANY RESULTS

- Final dividends: Avana Group, BAT Industries, Durapire International, Equity Consort Investment Trust, Evans of Leeds, Giltspur, Halma, LCF Holdings, Property Holding and Investment Trust, Somlec, Interim dividends: Bood Street, Fabrics, Countryside Properties, Derby Trust, First National Finance Corporation, Greenfields Leisure, Trident Television, Interim figures: Dharm Holdings. COMPANY MEETINGS: See Company News on page 22.

Before you do business with the world... do business with us.

If your business is international, Bank of Tokyo can do a great deal to help it run more smoothly, and more profitably.

For a start, we've got branches and connections spread over the length and breadth of five continents. From Bangkok to Brussels, Lagos to Lima, Sydney to Seattle.

And we have a reputation for being one of the world's leading specialists serving the needs of international business. Which stems from nearly 100 years of making life easier for international businessmen.

Which is exactly what we'd like to do for you.

Before you do business with the world, you'll find it profitable to do business with us.

BANK OF TOKYO

London Offices: 20-24 Moorgate, London EC2R 6DH Tel: 01-638 1271 and at 1 Hanover Square, London W1R 9RD

Your international connection

UK COMPANY NEWS

Recovery trend continues at Elliott Peterborough

THE RECOVERY at Elliott Group of Peterborough, begun in the first half, continued in the second six months and the year to March 31, 1979, finished with pre-tax profits of £813,000 compared with a loss of £230,000 last time.

Mr. A. W. Houston, chairman of the manufacturer of reliable buildings, furniture and joinery says the company starts the current year with a healthy order book and the Board looks forward to further progress.

INDEX TO COMPANY HIGHLIGHTS table with columns: Company, Page, Col, Company, Page, Col

Elliott of Peterborough had a successful year, meeting the demand from Government and industry against strong competition. Last year's reorganisation benefited Medway Building Group, which performed well.

Melody Mills hits record £826,000

TAXABLE profits of Melody Mills, wallpaper manufacturer, expanded from £506,908 to a record £826,533 in the year to March 31, 1979, on increased turnover of £9,935m, against £7,977m.

The directors say sales in the first quarter of the current year have been maintained at satisfactory levels. At the halfway stage, the surplus was up from £165,000 to £310,000.

Kenning Motor better than expected midway

DESPITE strikes and severe weather pre-tax profit of Kenning Motor Group fell only marginally from £2,750m to a better-than-expected £2,710m in the first half to March 31, 1979.

It is difficult to predict the future. Price cutting is still rife on car sales while car hire looks promising and other parts of the business are performing well.

A. Holden improves to £1.82m for year

AFTER THE rise in midway profits from £988m to £1,030m, Arthur Holden and Sons finished the March 31, 1979, year with taxable surplus ahead at £1,820m compared with £1,670m.

FOR THE first half year ended March 31, 1979, turnover of J. & H. B. Jackson increased from £11.8m to £13.4m and pre-tax profits were bigger at £1.52m against £1.2m in the same period last year.

DIVIDENDS ANNOUNCED

Table listing dividends announced for various companies including James Cropper, Elliott Peterborough, A. Holden, etc.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Adjusted—shares were previously 50p.

Vectis Stone up halfway

DESPITE DIFFICULTIES in the second quarter, taxable profits at Vectis Stone Group, the building services and fuel distribution concern, were ahead from £205,406 to £260,086 for the half year to March 31, 1979.

Renwick trebles its dividend as profits advance by 50%

THE DIRECTORS of Renwick Group report taxable profits up 50 per cent to a record £1,570m in the year ended March 31, 1979, against a previous £1,040m on turnover ahead nearly £10m to £55.4m.

has been trimmed to a third of its original size, might have cut its full-year losses by £400,000. In the event, the division's deficit was £700,000—a figure similar to the previous year—

J. & H. B. Jackson progress

Trading profits for the first half were £1.52m against £1.2m before deducting stock interest of £13,000 (£14,000). In addition, profits of £285,000 have been realised in the year to date, on sales of quoted investments. A total of £539,000 was realised in the last full year.

Marshalls (Halifax) increases 23% to finish at £2.67m

AS FORESHADOWED at midway, Marshalls (Halifax), the concrete products, rock drilling and handling equipment group, reports a tenth successive year of profits growth.

The dividend total is lifted by 23 per cent, with a final of 6p bringing the net total to 7.5p (15.84p) per 25p share, from stated earnings of 36.41p (34.55p). Mr. Marshall says the proposed dividend more closely represents the company's earning capacity.

Wilson Bros. turns in £1.02m

WITH second-half profits slipping from £500,916 to £493,856, Wilson Bros. finished the year to March 31, 1979, with the taxable surplus little changed at £1,020m, against £1,090m.

R. Paterson ends year lower at £780,000

PROFITS BEFORE tax of R. Paterson and Sons improved from £437,000 to £598,000 in the second six months, but the company finished the 53 weeks ended March 31, 1979, lower at £780,000 compared with £1,021,000. Turnover was unchanged at £16.57m.

James Cropper well ahead

FOLLOWING THE jump from £38,370 to £92,659 in the first half, James Cropper and Co. paper maker, finished the year to March 31, 1979 with pre-tax profits of £375,952 compared with £330,344 previously.

GRANADA GROUP

Results for 28 weeks to 14 April 1979 (unaudited)

Table showing financial results for Granada Group for 1979, 1978, and 52 weeks to 30.9.78

Lord Bernstein, the Chairman, states: 'All divisions are doing well and each has made its contribution to the increased profit and my statement at the Annual General Meeting "that profits for the current financial year are running at some 20% higher than last year" still stands.'

GRANADA GROUP LIMITED 36 Golden Square London W1R 4AH

Luis Gordon Group Limited 1978

Trading results in 1978, Luis Gordon continued the sales and profit recovery evident in 1977. Sales rose by 10% in volume terms and by just over 12% in value, inclusive of duty.

Table showing financial results for Luis Gordon Group Limited for 1978 and 1977

two years should continue in 1979. Annual General Meeting The Annual General Meeting will take place at the Caxton Hall, Caxton Street, London SW1 on Wednesday, 18th July 1979 at 12 noon.

BIDS AND DEALS

Howden U.S. venture

Wellman rejects Redman offer

MOORE... The new company is to participate in the newly emerging London New York Insurance Exchange...

The first was Willis Faber, which announced earlier this year that it was to participate in the new exchange with Johnson and Higgins.

BY JAMES BARTHOLOMEW

THE BOARD of Wallman Engineering immediately and forcibly rejected a takeover bid valuing the group at £7.5m...

The new Howden-James venture is to be conducted through a joint company, owned equally by Howden and James.

substantial borrowings. But he insisted this was only one factor among many that were more important. He said that Wellman already had licences to make products of the General Electric Department in question and "it is a somewhat unusual move to buy your licensor."

Mr. Anthony Dockety, group secretary of Wellman, described Redman's claims of industrial logic in buying Wellman as "absolute rubbish".

James recently broke off its five-year-old equity ties with Minet Holdings, another major insurance broking concern, and there has been wide speculation about which UK insurance broker it would forge new links with.

Redman was "not as strong as a ship as they try to make out," he said, and he thought Redman was trying to broaden its base. From a technical point of view there was no advantage to be gained from a merger.

Howden said yesterday that the announced arrangements will be confined to the proposed underwriting management company in the U.S. and both Howden and James will be independent in all other respects.

The two sides are likely to have to confront each other in open argument when Wellman has its EGM at which shareholders will be asked to approve the proposed American acquisition.

ELSWICK-HOPPER

To meet the long-term expected increase in the cycle market and to boost exports, Elswick-Hopper is to merge its subsidiaries.

The new company will be called Elswick Falcon and will formally come into being next February.

PORTSMOUTH AND DERLAND NEWSPAPERS, LIMITED

STATEMENT... delighted to report a record profit which, on an audit basis, rose by 82% from £1,388,000 to £2,876,000. Company first published its accounts in an inflation-proof last year and this process has now been refined...

BTR reaffirms intention to mount £26m Bestobell offer

BTR, the rubber, plastics and engineering group, is pressing ahead with its plan to bid £26m for Bestobell, the fluid engineering and insulation concern headed by Mr. Sandy Marshall.

Earlier this month, Mr. Marshall, formerly managing director of E. & O. rejected takeover approaches from BTR claiming there would be no commercial advantages for Bestobell in a merger.

Yesterday, however, BTR reaffirmed its intention to make a bid of 20p for each Bestobell share and at the same time promised to recommend total net dividends for 1979 of 10p per BTR share, a 37 per cent increase on the equivalent 7.3p paid last year.

BTR also revealed that unaudited pre-tax profits for the four months to the end of April this year were 35 per cent higher than in the equivalent four-month period.

Writing to Bestobell shareholders, Mr. Dawson Nicolson, BTR's chairman, and Mr. Owen Green, managing director, say they were astonished by Mr. Marshall's assertion that the "apparent similarities" between the two groups are "superficial."

The letter contrasts Mr. Marshall's "unquantified aspirations and expectations" with BTR's "achievement." "We believe a similar achievement could be attained by Bestobell if it were

to become part of the BTR operation and to adopt its business philosophies."

A spokesman for Bestobell said the directors would be considering the latest development today but he did not think there was anything in the letter which would make them alter their position.

Bestobell's share price finished 5p higher at 203p last night but BTR shares slipped 3p to 304p.

FERRANTI... Ferranti is acquiring from Da La Rue the Crossfield facility for the installation, servicing and refurbishing of the Ferranti Autocourt system, for an undisclosed sum.

Thermo-Skyships issue details

The money being raised by Thermo-Skyships will be needed in two parts. Initially around £1.5m will be required to complete the design stage leading up to the building of a prototype.

Thermo-Skyships recently acquired Mercantia Airship Transportation (MAST) which has been working on the development of airships for the past five years.

The issue consists of 560,000 £1 ordinary shares, 2,925,000 12 per cent Cumulative Redeemable Participating £1 Preference shares 1984-85 and £2,925,000 of 15 per cent Unsecured Loan stock 1986-89.

The issue is being made in packages of two ordinary shares, nine preference shares and £9 of loan stock—all 30 per cent paid on application. The balance is payable on call at the end of the first development phase, following approval of the shareholders in general meeting.

The ordinary rank parri passu with the deferred as regards dividend.

Interest on the loan stock will be rolled up until 1983. It is redeemable at £120 per cent between 1986 and 1989.

European Ferries will subscribe for between 35 and 60 per cent of the issue, depending on demand from the public, and will take conditional options over the first six aircraft.

The issue is not underwritten and initially a Stock Exchange quote is not being sought.

Stockbrokers are Laing and Cruickshank and R. L. Scott.

Sketchley

Record Sales and Profits for the year ended 30th March 1979

- * Turnover increases 21.7% to £41m
* Pre-tax profit rises 34.7% to £4.9m
* Total dividend up 16.5% to 5.494p
* Earnings per share advances 23.3% to 15.9p

"In the current year sales of all divisions are ahead of the comparable period of last year and, given a stable economic situation and reasonable freedom from national industrial relations problems, the year ahead should be one of further progress."

Gerald Wightman, Chairman and Chief Executive.
Sketchley Limited
Industrial workwear rental, dry cleaning and textile finishing

Reed confident: plans further consolidation

The aim at Reed International is to use the next 12 months to consolidate further the group's position, in order to establish an even sounder base from which to pay increased dividends in the future.

The Board considers that, taking account of available cash resources and short-term investments and existing loan and bank overdraft facilities, the group will have sufficient working capital for their present requirements.

pledged by such subsidiaries may have been installed.

It is believed that proceedings arising out of the same events have been issued against some 1,100 other defendants and that the total amounts claimed against all such defendants collectively is in excess of U.S.\$2bn.

Directors are of the opinion that the market value of land and buildings is materially in excess of book amount.

By the year-end, net short-term borrowings of £7m had been replaced by cash holdings of £55m of which £58m was in overseas currencies.

Directors have authorised a higher level of capital expenditure in businesses that have been inadequately invested in in the past—major examples are the re-equipment of the packaging activities, modernisation of the printing factories and a continued high rate of investment in waste paper recycling.

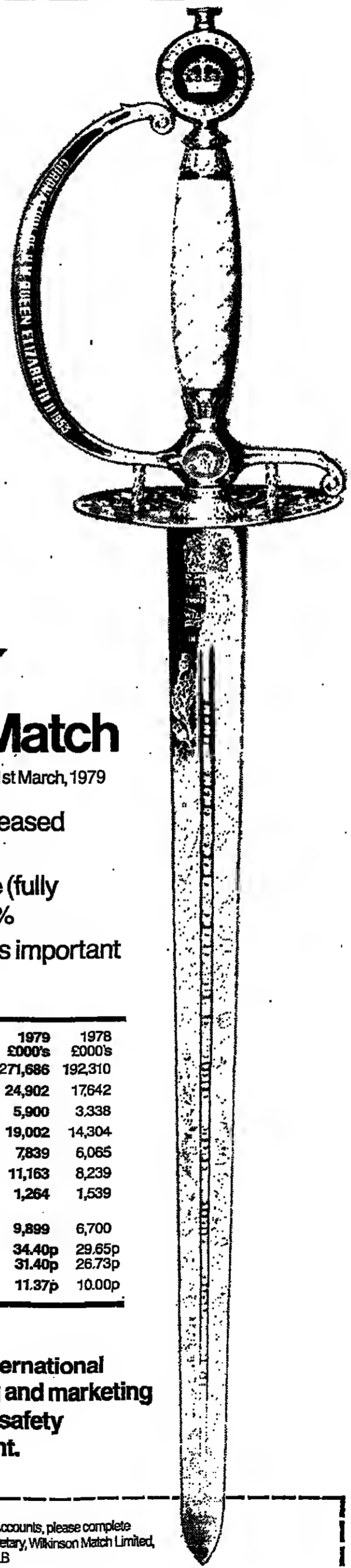
The chairman says a further increase in capital expenditure is planned for the current year, but the group will be spending less than depreciation in current cost terms.

Shareholders' funds increased from £356m to £434m while net debt fell from £284m to £226m.

The report also reveals that proceedings have recently been commenced against two U.S. subsidiaries naming them as defendants in claims for damages incurred in connection with the death and injury of persons as a result of a fire at premises in the State of Kentucky where goods alleged to have been sup-

During 1978, a writ of summons was issued against certain Canadian subsidiaries on behalf of numerous plaintiffs claiming damages resulting from alleged pollution in North-western Ontario.

Meeting, Savoy Place, W.C., August 2, at noon.



Wilkinson Match

- Group Results for Year ended 31st March, 1979
Pre-tax profits increased by 33%
Earnings per share (fully diluted) up by 17.5%
True Temper makes important contribution

Table with 2 columns: 1979 and 1978. Rows include Turnover, Operating profit, Interest, Profit before taxation, Taxation, Profit after taxation, Minority interests, etc.

Wilkinson Match is an international company manufacturing and marketing consumer products and safety and protection equipment.

If you would like a copy of the 1979 Report & Accounts, please complete the coupon and send it to: The Company Secretary, Wilkinson Match Limited, 13 Stanhope Gate, Park Lane, London W1Y 5LB

Name
Address

WGI PRE-TAX PROFITS RISE BY 72%



Mr. D.R. Branks Chairman

Points from the Annual Report and Statement for the year ending 31 March 1979

With profit before taxation of £2.05m (1977: £1.19m) the companies of this Group have combined to produce a record result exceeding that of last year by 72%.

The Board recommend a final dividend of 4.5p per share (1978: 3.8p).

An outstanding result from the Civil Division, which included a significant contribution from overseas contracts, is evidence that the demand for specialist foundation services continues.

In the Process Division West's Prochem Limited, formed two years ago, is ahead of schedule in both profit and turnover. West's (Australasia) Limited had a profitable year.

A record year for Tully Engineering Company Limited has contributed well to the improvement in the Mechanical and Structural Division's figures.

The Refractories Division has done well to maintain its profits in a year in which the steel industry, its largest customer, has been running well below capacity.

During the year the Group acquired three subsidiary companies. These acquisitions are consistent with the policy expressed in earlier years for the development of the divisions.

In the case of each company progress is ahead of that envisaged at the time of purchase.

The success with which the Group has established itself in specialist markets gives every ground for confidence in the future.

WGI WEST GROUP INTERNATIONAL
Lloyds House, Alderley Road, Wilmanslow, Cheshire SK3 1QA Wilmanslow (0625) 527483

Civil Engineering - Specialist Refractory Manufacture - Process Engineering - Mechanical and Structural Engineering

Sibeka goes back to Western Australia

BY PAUL CHEESERIGHT

SIBEKA, the Belgian diamond group, is re-entering the Western Australian diamond exploration race only seven months after withdrawing. Last December it sold its 7 per cent stake in the Ashton venture, which had already found diamonds. Its chosen vehicle is a joint venture with Swan Resources of Perth to undertake greenfields exploration at an unspecified location. But in an odd twist to normal practice it will be Swan Resources, the junior company, which manages the project. Swan Resources, which is listed on the Australian exchanges, today makes a formal announcement of the agreement to the Perth Stock Exchange. It will hold 25 per cent of the venture and Sibeka will hold 75 per cent.

The attraction of Swan Resources to Sibeka is thought to centre on the small company's technical staff. The geologist and mineralogist is Mr. Robert Mosig, who was a member of the small team which made the first discovery at Ashton.

The joint venture, although narrowly conceived in the first instance, could be extended later, perhaps to cover the exploration areas already claimed. It has prospects close to the Ashton joint venture area and also copper tenements at Thaduna, where reserves are established.

Swan Resources will receive a management fee for its work on the joint venture but it is searching for more capital. Dr. John Key, the managing director, is in London this week as North's, Sydney brokers, seek to arrange a share placement with financial institutions. Some funds have already been raised in Australia.

Sibeka's return to Western Australia is a surprise, however, after its withdrawal from the Ashton venture, led by Cozinc

MINING NEWS

Queen Margaret to offer shares

IN THE first flotation of gold shares for many years in Australia, stock in Queen Margaret Mines will be offered to the public in early August, reports Don Lipscombe from Perth.

The flotation is being organised by Spargos Exploration, and Queen Margaret Mines will have as its main asset a half share with Spargos in the Mount Ida gold mine east of Kalgoorlie and the Queen Margaret

mine, 230 km north west of Kalgoorlie.

The first gold pour at Mount Ida is planned for July 5. This mine will give the company an initial cash flow while the potentially more profitable Queen Margaret mine is brought to production.

Mount Ida operated from 1933 to 1967, but Queen Margaret worked only for about 12 years around the turn of the century. Spargos acquired a 50 per cent interest in Mount Ida last August and with its joint venturers has spent more than \$350,000 (£182,185) on redevelopment.

Reserves at Mount Ida have been put at a proven 15,270 tonnes of ore grading 11.3 grams of gold per tonne and a probable 4,250 tonnes of ore grading 31.13 grams of gold per tonne, above the 206 metres level.

Production costs for this ore have been put by Spargos at A\$36 a tonne. The longer term objective is to explore and develop an area providing 100,000 tonnes of ore grading 17 grams of gold or more. This programme would cost A\$420,000.

At Queen Margaret the feasibility of dewatering and re-developing the mine are being re-assessed.

In London assets in Spargos shares were down 1p at 18p.

Queen Margaret to offer shares

ASA BUYS MORE PLATINUMS

The bright outlook for platinum, where the treasury price is around \$437 an ounce, is emphasised by the heavy purchases of platinum shares by the Johannesburg-registered ASA which acts as a vehicle for U.S. investment in South African mining issues.

In the three months to May 31 the company purchased 128,000 Rustenburg shares and 78,700 Impala shares.

These purchases have been financed by the sale of some of the company's shares in the gold producers of the Far West Rand - notably Elsburg in which ASA has reduced its holding from 309,900 to 24,900 shares, Blyvoor, in which it has 139,200 shares compared with 235,100 three months ago and Driefontein where a holding of 701,500 shares has been cut to one of 588,200.

On the other hand, ASA has increased its holding in East Driefontein, Kloof, Hartbeest, Zandpan and St. Helena.

Total net assets, including investments, at May 31 amounted to R241.3m or U.S.\$284.8m compared with R235.2 or U.S.\$277.5 on February 28. Assets per share of R25.14 (U.S.\$29.86) compare with R24.50 (U.S.\$28.91) on February 28.

ROUND-UP

Angle United, the Northgate group company, is starting a diamond drilling programme at its uranium prospect in County Donegal, Ireland. Initial results from a diamond drilling programme for gold in County Monaghan were described as "encouraging" by the company. Eight intersections in two holes have revealed grades ranging from 0.07 to 0.52 oz a tonne of ore.

Sabina Industries expects to find a new joint venturer for its base metals prospect at Nine Mile Brook, Bathurst, New Brunswick, according to the half-yearly report. The optimism is based on a review of work carried out by U.S. Steel before it withdrew and the trenching of a previously untested anomaly which contained high values of lead, zinc and silver.

Record profit by Whitecroft

AN 18 per cent increase in pre-tax profit from \$4.25m to a record \$5.03m is reported by Whitecroft, Manchester-based group with interests in textiles, building and engineering supplies and engineering and construction, for the year to March 31, 1979.

Whitecroft, which recently acquired Randalls Group (as yet not a profit contributor) is lifting the total dividend by 15 per cent from an adjusted 8.7p to 7.7p with a final of 5.2p a 25p share.

Share earnings per share rose from 17.55p to 20.07p and net tangible assets from 114.39p to 116.13p.

Turnover improved from £55.1m to £75.5m.

After tax up from £907,000 to £1,022,000, earnings attributable after minority interests and extraordinary items progressed from £2.64m to £3.06m.

Dividends absorbed £1.61m (£1.35m). Retained earnings increased from £1.29m to £1.48m.

Last year's dividends are adjusted for the sub-division of the 50p shares into 25p shares on July 31, 1978.

At half-way when pre-tax profit was up from £1.25m to £2.6m, Mr. John Favre, chairman, said that taxable earnings in the second six months might not show the same rate of increase. Nevertheless the directors then considered that profit for the year as a whole would show a material increase over that for 1977-78.

comment

With the help of Moorlite (acquired last year), Whitecroft has come bouncing back from the profit slump of 1977-78. The new subsidiary chipped in around 10 per cent.

Northern Goldsmiths boosted to £453,218

RESULTS FROM PTS Group and Manor House Finance since December 12, 1978, boosted taxable profits of Northern Goldsmiths Company, retail jeweller, to £453,218 for the year ended February 28, 1979, against £343,157 on turnover well up at £5.98m against £3.22m.

Turnover included £2.29m from PTS and £25,994 from Manor House. Profits included £189,461 from PTS, before consolidation, and £5,993 from Manor House, less £134,432 pre-acquisition profits not available for distribution.

After tax £223,954 (£191,775) and extraordinary debit of £28,547, the amount available emerged £202,561 compared with £151,5 last time.

Earnings per 25p share given as 7.89p (5.43p) and dividend is stepped up to 2.37p (2.08p) net with a final 1.525p.

The directors state that, dividend restraint ends on July 31, they intend to pay additional 0.34p in September.

James Cropper & Company Limited

The following are the unaudited preliminary profit figures for the year ending 31st March 1979.

	1979	1978
Turnover	10,998,447	9,553,294
Trading Profit	723,379	488,891
Profit on Sale of Houses	42,601	47,184
Interest	765,980	536,015
	(190,028)	(158,671)
Advance Corporation Tax	575,932	330,344
	(17,366)	(12,817)
Profit after Taxation	588,583	367,427
Dividends: 4% on 1,600,000 Shares of 25p each	16,000	8,000 (2%)
6% on 1,600,000 Shares of 25p each (proposed)	24,000	16,000 (4%)
Balance Transferred to Reserves	518,583	343,427

At the moment the paper industry is busy in nearly all sectors and thus the prospects for the first six months of the year are good.

LAKE VIEW INVESTMENT TRUST, LIMITED

Managers—JOHN GOVEY & CO. LTD.

Summary of results

Year ended 31st March	Per Share Earnings	Per Share Dividend	Per Share Premium including 100% Dollars
1974	1.69p	1.35p	69.9p
1975	1.77p	1.50p	76.0p
1976	1.77p	1.65p	100.0p
1977	2.37p	2.10p	108.3p
1978	2.66p	2.40p	120.5p
1979	3.41p	3.00p	144.8p

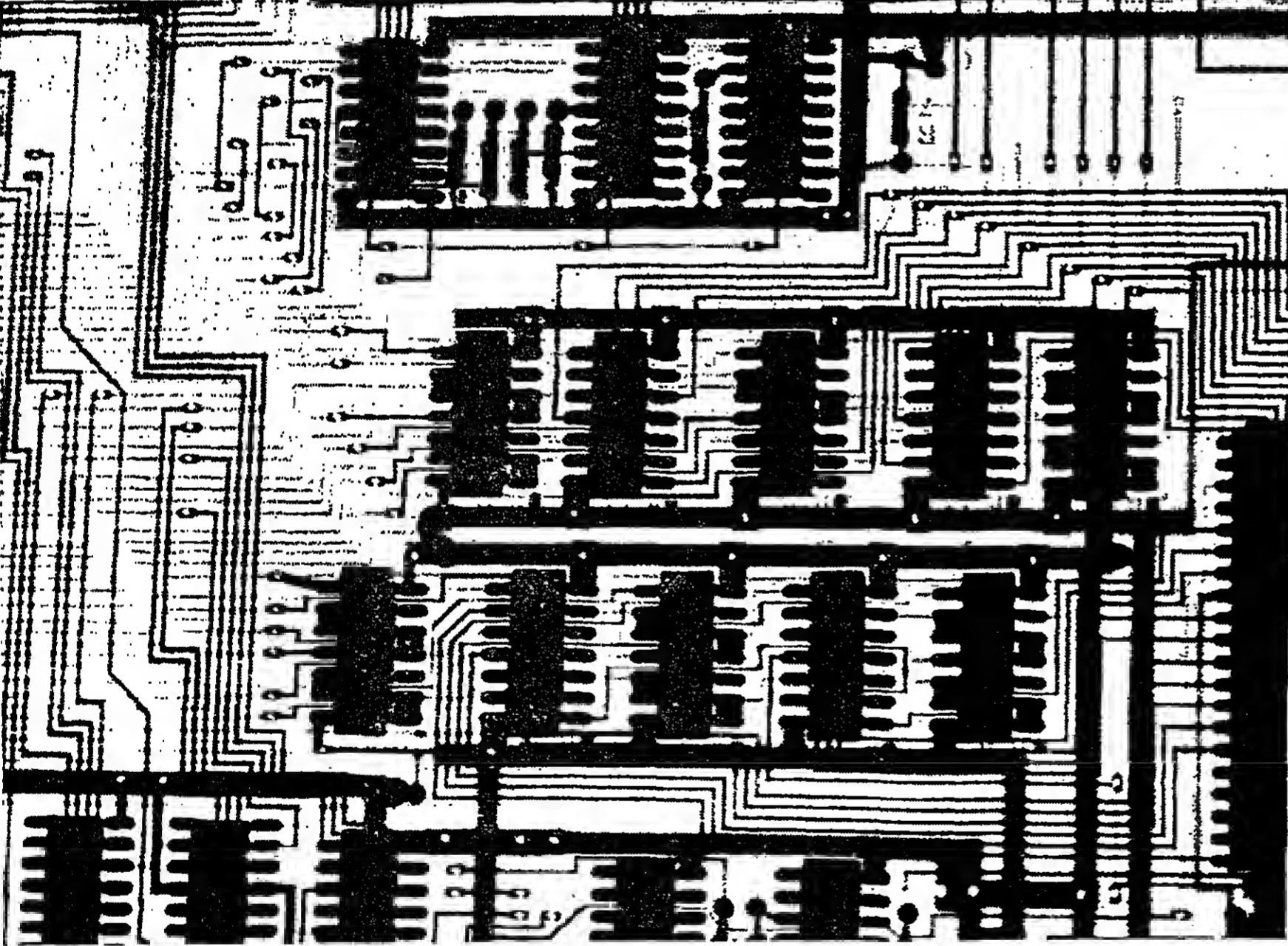
Total Net Resources £93,554,412
U.K. 69.3% North America 16.5% Japan 8.3%

Points from Mr. C. Alan McLintock's review

—income from the Trust's investments continued to grow a satisfactory rate which, coupled with reduced borrowings, costs of foreign currencies led to an increase in earnings per share from 2.86p to 3.41p. This has enabled us to recommend a final dividend of 2p, making a total of 5p for the year, an increase of 25 per cent over that of the previous year, over the past five years, earnings have risen from 1.66p 3.41p per share and dividends from 1.35p to 3p. These increases exceeding 100 per cent and 120 per cent respectively, has been kept pace with the rate of inflation as measured by the retail price index and they demonstrate effectively the value to shareholders of their investment in an actively managed portfolio of good quality.

—net asset value per share improved by 30.2 per cent, 144.8p from 120.5p. This compares with a rise of 29.7 per cent in the FT Actuaries All-Share Index and a fall of 10.3 per cent in the S & P Composite Index of U.S. shares, adjusted for the investment currency premium.

—a lifting of dividend restraint would have marked but large once and for all impact on our revenue prospects but, apart, we must expect a somewhat slower rate of growth than we experienced last year. I hope however, to be able to look for further rises in earnings and dividends, a promising sign for the average rate of the past six years.



When it comes to reporting world markets this is how our mind works

The printed circuit board is integral to developments in computers and communications.

Reuters has invested large sums to provide over 10,000 clients in more than 100 countries with one of the most sophisticated worldwide computer networks, to ensure that they receive the first class service they rightly demand.

Modern communications provide our international team of 350 journalists with the tools they need to report market-moving developments to the world's financial centres.

We spend large sums on development. In most years we introduce a major innovation to improve our services.

For example, in 1978 we moved into a new London Technical Centre, which is one of the most advanced computer centres in the world. This year we are doubling the capacity of the communications we use internationally to carry stock and commodity market prices, so that we can increase speed and volume.

Our trunk circuits operate at an average 99.25% reliability. We are now duplicating our main communications network to make our services even more reliable.

You may not have fully appreciated until now the strength of our communications support, but you should find it reassuring.



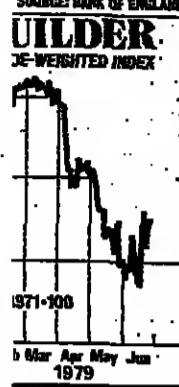
REUTERS
World markets as they move

Handwritten signature or mark at the bottom of the page.

CURRENCIES, MONEY and GOLD

Dollar weak

... fell sharply... currencies in the... with its trade weighted index...



... support during the... the D-mark, it... and from Friday's...

Table with columns: Currency, % change, % change against ECU, % change against DM, % change against Yen.

Table with columns: Currency, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

Table with columns: Currency, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

NATIONAL MONEY MARKET

... movement in rates may also be seen as a precautionary measure...

... the central bank... movement in rates may also be seen as a precautionary measure...

KEY MARKET

... assistance... moment, and the authorities...

... credit was in short... London money...

MONEY RATES

Table with columns: Sterling, Interbank, Local Authority deposits, Negotiable bonds, Finance House deposits, Company deposits, Discount market, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

THE POUND SPOT AND FORWARD

Table with columns: June 25, Day's spread, Close, One month, % Three months, % Six months.

THE DOLLAR SPOT AND FORWARD

Table with columns: June 25, Day's spread, Close, One month, % Three months, % Six months.

CURRENCY MOVEMENTS

Table with columns: Currency, Bank of England, Morgan Guaranty, % change.

OTHER MARKETS

Table with columns: Currency, Note Rates, % change.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies...

Large table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING.

Foreign exchange. We deliver. Competitively. Test us. Midland Bank International.

RECORD level

Gold continued to improve in the London bullion market...

ContiCommodity

OFFERS YOU SIX FREE TRIAL ISSUES OF THEIR FORTNIGHTLY OUTLOOK ON LONDON COMMODITIES, FOREIGN EXCHANGE AND GOLD

Kennecott International N.V.

9 1/2% GUARANTEED NOTES DUE 1986. Payment of principal, premium, if any, and interest unconditionally guaranteed by KENNECOTT COPPER CORPORATION

MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN, Discount Rate, Prime Rate, Fed Funds, Treasury Bills, etc.

**"WE SET UP
FROM SCRATCH
IN FIVE WEEKS,
THANKS TO
MILTON KEYNES"**

RAY HAMMOND, MANAGING DIRECTOR
HAMMOND ORGANS

**"MILTON KEYNES HAS
GIVEN US ROOM TO EX
WE WERE BEING ST
WHERE WE W**

PHIL JACOBS, JOINT MANAGING DIRECTOR, FARBISA ORGANS



**"WE MOVED HERE
SO I COULD KEEP
AN EYE ON THE
OTHER TWO."**

DICKIE WREN, MANAGING DIRECTOR, FARBISA ORGANS

CONTACT: COMMERCIAL DIRECTOR, MILTON KEYNES DEVELOPMENT CORPORATION, WAVE DON TOWER, MILTON KEYNES MK17 8LX. TEL: MILTON KEYNES (0908) 74000

ملا امه لاص

INTERNATIONAL COMPANIES and FINANCE

AMERICAN NEWS

Chrysler takeover denial
aims to deter investors

IN WYLES IN NEW YORK

Chrysler's shares opened... The takeover denial... aimed to deter investors...

There were reports on Friday... VW has denied the Cartel Office statement...

There were reports on Friday... VW has denied the Cartel Office statement...

Fidelity Union gets \$370m offer... DALLAS — Fidelity Union Life Insurance has agreed in principle to be acquired by Allianz of America Incorporated...

ASBESTOS CORPORATION TAKEOVER

Swift defensive footwork

BY ROBERT GIBBENS IN MONTREAL

ASBESTOS CORPORATION and its parent company General Dynamics Corporation of the U.S. have replied quickly to the passage of expropriation legislation in the Quebec National Assembly...

market price of about C\$26 a share at the time the Government took power...

Asbestos Corporation and its parent reacted swiftly, filing in Quebec Superior Court on Friday a request for an injunction preventing the government from making any expropriation move...

Its lawyers alleged that both bills were submitted to the Quebec Legislature and later passed in their French form only...

Asbestos Corporation is the second-largest fibre producer in Canada and has a refining plant in West Germany as well as mines and mills in Quebec

Iran suspends GTE payments

Iran has ordered suspension of all payments to American Telephone and Telegraph Company...

District Court. GTE won a \$600m contract in December, 1977, to install 950,000 telephones in Iran...

\$94m put up by GTE in New York, but GTE might take action to protect the bonds...

Kodak case for re-trial... THE New York federal appeals court yesterday overturned most of a lower court's finding in the marathon Kodak-Berkey antitrust case...

Murphy Oil earnings improve

Murphy Oil's net income for the first half of 1979 was \$27 cents a share...

Analysis estimates that Murphy will earn 31 cents a share in 1979...

having a better than breakeven year compared with the \$2.4m loss by the division in 1978...

Eighteen months ago, the courts awarded Berkey \$81.7m in triple damages and legal fees five years after Berkey accused Kodak of monopolising the film, camera and colour paper markets...

Currency fears hit dollar Eurobonds

BY FRANCIS GHILES

CONCERN about the U.S. currency and the large amount of new paper on issue conspired to weaken the dollar sector of the Eurobond market further yesterday...

has occurred in the past four months. The National Westminster FRNs of 1990 are now yielding 11 per cent instead of the 12 1/2 per cent they were returning in the six months up to the readjustment of the coupon last week...

The secondary market in FRN issues was quiet yesterday in contrast to last week, with investors displaying less interest in buying...

volume of new DM paper issued in June to DM 500m. Initially the capital markets sub-committee had agreed to sub-committee had agreed to sub-committee had agreed to sub-committee...

INTERNATIONAL BOND SERVICE

Shows the 200 latest international bond issues for which an adequate secondary market has developed...

Table with columns: Issued, Bid, Offer, Change on day, Week Yield. Lists various international bonds.

Table with columns: OTHER STRAIGHTS, NOTES, CONVERTIBLE, SOVEREIGN. Lists various international bonds.

The only consolation for Berkey was a finding that Kodak violated anti-trust laws with its Magcube and Flipflash systems...

Westinghouse settles suits

PITTSBURG — Westinghouse Electric reached a final agreement of a uranium supply lawsuit with the Swedish State Power Board...

Meanwhile, Westinghouse Electric Corporation and Virginia Electric and Power have reached a \$380m settlement of their dispute over the delivery of about 1.5m pounds of uranium to the utility...

The settlement, which was approved by U.S. District Judge Robert R. Meriberg Jr. calls for Westinghouse to make cash payments with a present value of \$129m in 1979 and 1980 and to deliver to the utility 7.5m pounds of uranium...

Ivaco bid for Atlantic Steel

ATLANTA — Atlantic Steel has agreed to a proposed offer by Ivaco of \$40 a share for the 1.2m shares of Atlantic outstanding. The offer would put a total price of \$51.8m on Atlantic Steel.

Atlantic Steel said that 10 of its 12 directors attended a special Board meeting and agreed to tender their shares when the offer is made.

Advertisement for Landesbank Stuttgart featuring an image of a large industrial building and the text: 'The Bank that puts productivity first'.

© The Financial Times Ltd., 1979. Reproduction in whole or in part in any form not permitted without written consent...

This advertisement appears as a matter of record only.



Sri Lanka U.S. \$50,000,000 Medium Term Loan

managed by

Manufacturers Hanover Limited

- Amsterdam-Rotterdam Bank N.V. Chase Merchant Banking Group
- Dresdner (South East Asia) Limited Grindlay Brandts Limited
- Lloyds Bank International Limited Tokyo Finance (Asia) Ltd.

provided by

- Manufacturers Hanover Trust Company Amsterdam-Rotterdam Bank N.V.
- The Chase Manhattan Bank N.A. Dresdner (South East Asia) Limited
- Grindlays Bank Limited LBI Finance (Hongkong) Limited
- Tokyo Finance (Asia) Ltd.

- American Express International Banking Corporation Bank of Montreal Asia Limited
- Banque de Paris et des Pays-Bas The Hongkong and Shanghai Banking Corporation
- Irving Trust Company State Bank of India
- UBAN - Arab Japanese Finance Limited United Overseas Bank Limited, Singapore

June, 1979

Approximately 97% of the outstanding Common Stock of

Life Insurance Company of Georgia

has been acquired by

Georgia U.S. Corporation

an indirect wholly-owned subsidiary of

Nationale-Nederlanden N.V.

The undersigned assisted in the negotiations and acted as financial advisor to Life Insurance Company of Georgia in this transaction.

DEAN WITTER REYNOLDS INC.

Companies and Markets INTNL. COMPANIES and FINANCE

BELGIAN STEEL INDUSTRY

State writes off Cockerill debt

BY GILES MERRITT IN BRUSSELS

FINANCIAL details of a major element in the Belgian Government's rescue plan for the steel industry were disclosed in Brussels yesterday at an extraordinary meeting of shareholders in Cockerill, the largest Belgian steel company.

The state is to take a 28.9 per cent stake in Cockerill, in which it previously had no equity interest, and is writing off a substantial proportion of the company's debt in order to boost its future profitability.

Last year, interest payments and other financial charges locked up 6.5 per cent of Cockerill's BFr52bn (\$1.75bn) turnover, and the terms of the state participation plan are intended to reduce that proportion in 1979 to only 2.5 per cent.

Setting forward the details of the complex financial arrangements now being made by the state, Baron Clerdent, Cockerill's chairman, also made it plain that the deal signals the launching of the company's large BFr26bn investment plan for the coming five years.

For 1978 investments by the company stood only at BFr1.3bn because of what Cockerill has described as "financial constraints." Consolidated losses for the year were BFr7.5bn, against a deficit of BFr7.2bn in 1977.

The Belgian state's 28.9 per cent stake will be taken in a slightly reduced Cockerill capital, with the present capital of BFr 7.76bn being reduced in the first stage of the financial operation to BFr 5.04bn. A total of BFr 2.7bn is to be written off from Cockerill's accumulated losses of BFr 15.7bn.

In the second stage of the agreement, Cockerill's capital will then be raised back to BFr 7.09bn through the creation of fresh shares that will be held by the state. The Belgian Government's capital injection is being carried out in two parallel moves, for, while the state is taking the major stake itself, it is also working through the agency of its Societe Nationale de Credit Industriel (SNCI).

Cockerill is to issue two convertible loans, the first of which will be for a BFr 11.8bn 15-year loan, which the state will take up at a minimal 1 per cent rate. The second is a BFr 1bn loan over 15 years that the SNCI will take up at 10 per cent, and

Huls forecasts higher dividend

BY GUY HAWTIN IN FRANKFURT

CHEMISCHE WERKE Huls is expecting "satisfactory" profits for 1979. The group's management said that shareholders will share "fairly and fully" in the division of profits and a "satisfactory" dividend—certainly in double figures per cent—will be paid.

Huls, which is the chemical arm of the major Veba energy concern, has made its forecast despite uncertainty over the course of the second half of the year. It is still concerned about the trend in raw materials prices and such factors as inflation, currency uncertainty and world economic developments.

However, it was equally uncertain about the first half of the year when it produced its preliminary report on 1978. In

the event, its report on the opening six months of 1978, published yesterday, described business progress as "satisfactory to good."

Turnover during the first five months of the year rose by 7.8 per cent against the comparable 1978 performance to DM 1.92bn (\$1.04bn). This spectacular growth rate, however, is in a large part attributable to a restructuring of Veba's chemicals interest which has placed more production operations under the Huls umbrella.

Even so, steep increases in prices of oil-based raw materials have also played a substantial role and real turnover of the group's main operations was up by 24.7 per cent during the period to DM 1.65bn.

Exports led sales growth, rising by 29.9 per cent compared with the first five months of 1978. Domestic sales, however, also increased by 22 per cent. Volume production rose by 9.2 per cent and capacity utilisation to 81 per cent.

The price increases of oil-based raw materials were reflected in increased product prices and offset the deterioration of product prices suffered in 1978. This, together with a higher level of capacity utilisation, lead to satisfactory earnings in most product sectors.

Investment this year will amount to about DM 120m—still lower than the rate of depreciation and real turnover of the group's main operations was up by 24.7 per cent during the period to DM 1.65bn.

Japanese link for Zanussi

BY RUPERT CORNWELL IN ROME

ZANUSSI, Europe's largest domestic appliance group, has signed a co-operation and technical agreement with Hitachi of Japan, which would form the foundation of a far-reaching collaboration between the two groups.

The deal was signed last week in Tokyo by Hitachi and Sig. Lamberto Mazza, president of Industrie Zanussi. It covers virtually the entire appliance field, from TV and hi-fi equipment to cookers, refrigerators, and washing machines.

The main, or so-called "general" agreement provides a framework for specific projects

on both the technical and commercial sides. Zanussi and Hitachi have reached a separate agreement for the Japanese group to make available know-how in the hi-fi and TV sectors to Zanussi Elettronica SPA, the Zanussi group member which operates in that field.

The arrangements with Hitachi mark a further step in the international strategy of the Zanussi group, which last year reported sales of L940bn (\$1bn). In February it concluded a deal whereby State-controlled Austrian concern Voest-Alpine took a 10 per cent stake in its capital, now enlarged to L80bn.

Italy's State rail company, Ferrovie dello Stato, expects its deficit in 1980 to widen by 41 per cent from an estimated L1,230bn this year, according to preliminary budget figures, AP-DJ reports from Rome.

The rail company, a major borrower on international financial markets, predicted its deficit would expand by L500bn to L1,740bn in 1980. Higher labour costs account for L376bn of the increase.

The forecast is based on a conservative estimate that traffic volume will expand by only 15 per cent during the year, the company said.

Soerensen cuts payout as profits fall

By Hilary Barnes in Copenhagen

S.C. SOERENSEN, the wholesale and trading company, proposes a reduction in the dividend from 12 per cent to 10 per cent, after announcing that net earnings in 1978 are down to DKr 15.8m (\$2.96m), compared with DKr 18.4m in 1977. Turnover increased to DKr 1,300m to DKr 1,468m (\$273.41m).

The company said that there was hard competition in the market for its building materials.

Swiss group boosts First Boston shareholding

BY JOHN WICKS IN ZURICH

THE SWISS holding company Financiere du Credit Suisse et de First Boston has increased from 25 to 55 per cent its participation in First Boston Corporation, the parent company of the investment bank First Boston Corporation.

The stake was raised by the purchase of 677,000 First Boston shares at \$12.7m or \$18.75 per share.

Credit Suisse holds 49 per cent of SA Financiere which in turn owns the London-based Credit Suisse First Boston merchant bank and other banks

in Switzerland, France, Britain and the Far East.

First Boston owns the New York-based First Boston Corporation Investment Bank and holds 31 per cent of SA Financiere.

Intership Holding AG, the internationally-owned property development concern specialising in the building of shopping centres, recommends payment for the year ended March 31 of an unchanged dividend of SwFr 14 per share. Net profit for the period was SwFr 3.8m compared with SwFr 3.8m.

West German rail issue

By Our Financial Staff

THE WEST German Federal Railways (Bundesbahn) is to borrow DM 650m on the domestic capital market. Terms were set yesterday and include a coupon of 8 per cent, a maturity of 10 years and an issue price of 99. The offer compares with a recent funding by the German government which issued 10-year bonds at 99½ on a coupon of 8 per cent.

OECD estimates borrowing

PARIS — Borrowing on international markets totalled \$8.98bn equivalent in May, according to the Organisation for Economic Co-operation and Development (OECD).

The OECD revised upwards the April total to \$9.31bn from \$8.50bn.

In May, internationally floated bonds totalled \$1.64bn against \$1.70bn in April, while bonds issued by foreign borrowers on domestic markets totalled \$1.14bn, up from \$1.05bn in April.

International bank loans totalled \$6.20bn in May against April's \$5.55bn.

Non-oil less developed countries' international loans rose to \$4.62bn from \$4.24bn.

In this category, Chinese borrowing rose sharply to \$2bn from \$1.05bn in April, Reuter.

Court backs Dutch yard in dispute

By Charles Batchelor in Amsterdam

A DUTCH court has ordered dockyard workers at the VDSM yard near Rotterdam to end a go-slow which has delayed the construction of a F1 200m (\$98m) mobile dredging platform. The MKV and NVV industrial trade unions were ordered to pay F100,000 a day for every day or part of a day that the go-slow continues.

A court injunction had been sought by Stevin Baggeer, a subsidiary of the Volker Stevin dredging and construction group, which feared that the delay of the platform delivery date would lose orders. The unions began the go-slow at VDSM, which is part of the Rijn-Schelde-Vereidma group, to force the government to keep its year open.

In his ruling the judge in the Rotterdam district court said that the unions had not acted with sufficient care and their actions were injuring a third party not directly involved in the dispute. The government has taken over the responsibility for the losses of the new construction activities of the VDSM yard but has yet to obtain parliamentary approval for a restructuring plan for the yard.

It has put forward a proposal to stop the construction of complete vessels and to reduce it to an assembly yard. The unions have rejected this, saying that it is a first step towards the complete shut-down of VDSM's new construction activities.

Belgian quote for Rodamco

By Our Amsterdam Correspondent

RODAMCO, the property fund launched by the Hobeco group in March, plans to introduce its shares on the stock exchanges in Brussels and Antwerp on July 4. After placing around 4m shares worth F1400m (\$196m) on the Amsterdam bourse on the launch date of March 22, a further 350,000 shares had been issued by the end of last month.

The investment forecast for the first financial year ending March 1980 is in line with the expectations expressed in the introductory prospectus. It then said that it expected to pay a cash dividend of F1 3 per F1 25 nominal share and make a stock distribution of 3 per cent in the first financial year.

Rodamco has now reduced the forward cover on the currency risk on the equity invested in U.S. dollars to 50 from 100 per cent at the time of the introduction.

The fund expanded its portfolio further with Hexagon Real Estate, a company in which Rodamco has a 35.5 per cent share, acquiring an office building of 18,750 square metres in Birmingham, Alabama. Negotiations on a number of other projects in the U.S. and Europe are under way.

Oil price rises may start bond boom

BY JOHN EVANS

FIXED-INTEREST bond markets around the world may be poised for the same type of boom they enjoyed in 1974, according to the American Express International Banking Group.

The reason given is that a further deflationary impact is expected as a result of another big series of oil price increases by the Organisation of Petroleum Exporting Countries.

Bond markets in Switzerland, West Germany and the U.S. all recovered sharply during 1974, as international economic activity slowed down and eventually restrained inflation, the Amex Bank Review, the group's monthly economic publication, recalls.

The continuing oil price rises are effectively a "tax" imposed by OPEC on consuming countries which in the coming year, will amount to a further \$45bn, the review says.

In terms, the increase in oil revenues enjoyed by OPEC in 1979 to 1980 will be half as great as in 1973-74. But the deflationary impact could be

proportionately greater, it says. Unlike 1974-76, few industrial countries will introduce growth policies to counter the deflationary impact of oil prices. The experiences of Britain and Italy, which adopted expansionary policies in the mid-1970s and suffered savage currency crises as a consequence, will act as a cautionary lesson.

In addition, the review says, less developed countries will find it harder to borrow to cover their increased oil payments, given their existing large debts. Some individual developing nations will therefore have to reduce sharply their development programmes.

Lastly, consumption expenditure in the industrial nations will immediately experience deflationary pressure which will not be compensated by increased OPEC investment expenditure in the short run.

Such cumulative deflationary pressures on the world economy should bring down yields in the bond and money markets, the review says.

In 1974, there was a six-

month lag between the oil price rise and the fall-off in interest rates. In part, this can be explained by the booming conditions in the world economy in

dicted to slow down by end 1979.

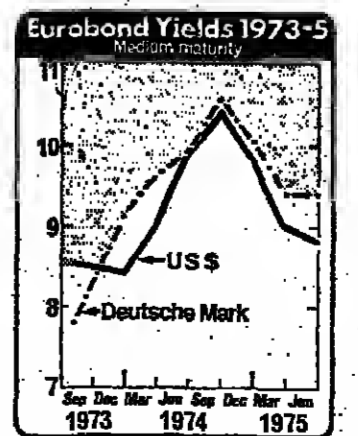
While an oil price rise may give a mild short-run upward impetus to interest rates, the deflationary impact of high energy prices should reduce such influences, the review says.

It adds: "As the world economy slows down, under the pressure of the oil 'tax' and fiscal restraint, falling inflation expectations will fuel a rise in bond markets. Quality differentials between top rated issue and others should therefore typically widen in the year ahead."

Nevertheless, the review admits that on the longer-term the outlook for dollar securities is less encouraging.

Rising oil imports mean the U.S. must either increase its rate of savings to pay for foreign oil or must attract foreign investment to the U.S. to fund energy imports.

"High real interest rates, dollars, will be required to achieve this result."



telkooor LTD

a subsidiary of Koor Electric & Electronics Ltd.

development and production of sophisticated electronic products including:

- military power supplies
- military microwave communications
- military tape-recorder
- military & civilian altimeters
- automatic self blood pressure tester

announces the merger of:

- Koor-Systems Ltd.
- Penguin Electronics Ltd.
- Meeda Electronic Industries Ltd.

TELKOOR LTD, P.O. Box 76, Petah Tikva, Israel. Tel: 03-903441-23. Telex: 341990. MAAC IL

ART GALLERIES

ALBERT HOUSTEIN paintings at Royal Phillips, 26, Britton Street, London, W1. Arranged by Richard Hutton. Last day July 1st. The D.C. Omnibus documentary at HOUSTEIN was reworked this April.

AGNEW GALLERY, 43 Old Bond St, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 27 July. Mon.-Fri. 10.30-5.30. Thurs. until 7.00.

BARNES, 10, Mount Street, London, W.1. 01-828 5178. Exhibition of Oriental Works of Art. 12 Mount Street, London W.1. Mon.-Fri. 10.30-5.30. Sat. 10.30-3.30. Sun. 10.30-5.00 pm. Saturdays 10.00-1.00 pm.

BROWN & JENNINGS, 20, St. James's Place, London, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 10.1.10.1.

CAMPBELL & FRANKS, 108, Avebury, London, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 28 July. Mon.-Fri. 10.30-5.30. Sat. 10.30-3.30. Sun. 10.30-5.00 pm.

CRANE GALLERY, 178, Tottenham Court Road, London, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 28 July. Mon.-Fri. 10.30-5.30. Sat. 10.30-3.30. Sun. 10.30-5.00 pm.

DAYTON, 20, St. James's Place, London, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 12 July. Mon.-Fri. 10.30-5.30.

- MAAL GALLERIE, The Mall, S.W.1. Society of Wildlife Artists. Exhibition, Mon.-Sat. 10.30-5.30. Sun. 11.00-4.00. Admission 20p.
- ONEILL, 27, St. James's Place, London, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 10.1.10.1. For further details phone 01-828 4274-5.
- OWELL GALLERIES, 20, Abchurch Lane, London, E.C.4. 01-739 9118. Exhibition of Old Master Paintings. Until 28 July. Mon.-Sat. 11.00-5.30. Sun. 10.30-5.30.
- REDFERN GALLERY, 20, Abchurch Lane, London, E.C.4. 01-739 9118. Exhibition of Old Master Paintings. Until 28 July. Mon.-Sat. 11.00-5.30. Sun. 10.30-5.30.
- ROBINSON GALLERY, 20, Abchurch Lane, London, E.C.4. 01-739 9118. Exhibition of Old Master Paintings. Until 28 July. Mon.-Sat. 11.00-5.30. Sun. 10.30-5.30.
- ROYAL GALLERY, 20, Abchurch Lane, London, E.C.4. 01-739 9118. Exhibition of Old Master Paintings. Until 28 July. Mon.-Sat. 11.00-5.30. Sun. 10.30-5.30.
- THE PAUL GALLERY, 20, Abchurch Lane, London, E.C.4. 01-739 9118. Exhibition of Old Master Paintings. Until 28 July. Mon.-Sat. 11.00-5.30. Sun. 10.30-5.30.
- THE ST. JAMES'S PLACE GALLERY, 20, St. James's Place, London, W.1. 01-828 5178. Exhibition of Old Master Paintings. Until 12 July. Mon.-Fri. 10.30-5.30.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel: 01-623 6314. Index Guide as at June 21, 1979.

Capital Fixed Interest Portfolio	115.50
Income Fixed Interest Portfolio	105.00

Handwritten signature or mark at the bottom of the page.

INTNL. COMPANIES and FINANCE

Sharp jump in earnings Daewoo Industrial

RICHARDSON IN SEOUL

ATED net profits of Daewoo Industrial Company one of Korea's major industries, jumped by 74 per cent to 26.1m in the year to...

accounts to be prepared in accordance with accepted foreign standards. Daewoo is the only Korean company to have presented its accounts in this form so far...

of short-term liabilities and \$310m of long-term loans. The biggest change in the balance sheet was an increase of \$232m in the amount of short-term loans outstanding.

Loan for Korean Development Bank

By Our Seoul Correspondent

THE GOVERNMENT-owned Korea Development Bank (KDB) is to raise US\$600m by way of a syndicated loan managed by Bank of America...

Firestone India to dilute foreign equity holding

By P. C. Mahanti in Calcutta

FIRESTONE TYRE and Rubber Company of India, a fully-owned subsidiary of the U.S. Firestone, is to fail to line with other foreign companies who have diluted their foreign holdings...

R steps up minerals drive

ROGERS IN SYDNEY

verified Australian has revealed plans to develop mineral resources with the release of an annual report...

coquina-iron ore deposit, near the Mt Newman mine in Western Australia, in which CSR already has a 20 per cent interest...

large-scale production in South Queensland of Cassava, an alternative source of starch. The New Zealand Government had approved a joint venture study for the development of a pine forest resource to supply a thermo-mechanical pulp mill.

Shipping operations loss by Zim

WEL, IN TEL AVIV

Navigation Company's national fleet a loss of \$5m in shipping operations in result of the problem of local seamen...

helped by the sale of outmoded vessels, raising \$30m of new capital on the local market, and the securing of long-term loans from international banks.

buy another 12, smaller, container ships for its European services and for those from Eilat, on the Gulf of Aqaba, to Far East destinations.

Singapore Fodder joins new money list

HE LEE IN SINGAPORE

FODDER COMPANY's national animal feed-ling 1800,000 will be provided by existing shareholders.

be new shares and the remainder of \$310m will be provided by existing shareholders. The 2.5m shares will constitute 25 per cent of Singapore Fodder's enlarged capital of \$310m.

for the current year, ending December, lower than the \$2.82m chalked up in 1978. Turnover last year amounted to \$225m, of which about 61 per cent came from local sales and the remainder largely from exports to Malaysia and Hong Kong.

ANZ capital increase

ANZ BANKING GROUP shareholders approved at an extraordinary general meeting in Melbourne yesterday a one-for-four issue of ANZ shares to be made by capitalising AS\$2.25m of the share premium reserve.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$150,000,000 Borden, Inc.

9 3/8% Sinking Fund Debentures Due 2009

Interest payable June 15 and December 15

MORGAN STANLEY & CO.

- FIRST BOSTON CORPORATION MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP
OMON BROTHERS BACHE HALSEY STUART SHIELDS BEAR, STEARNS & CO.
THE EASTMAN DILLON & CO. DILLON, READ & CO. INC. DONALDSON, LUFKIN & JENRETTE
EXCEL BURNHAM LAMBERT E.F. HUTTON & COMPANY INC. KIDDER, PEABODY & CO.
WARD FRERES & CO. LEHMAN BROTHERS KUHN LOEB LOEB RHOADES, HORNBLOWER & CO.
NE. WEBBER, JACKSON & CURTIS SHEARSON HAYDEN STONE INC.
THE BARNEY, HARRIS UPHAM & CO. WARBURG PARIBAS BECKER WERTHEIM & CO., INC.
AN WITTER REYNOLDS INC. L. F. ROTHSCHILD, UNTERBERG, TOWBIN

620, 1979

This announcement appears as a matter of record only.

May 1979.

EUROPEAN INVESTMENT BANK

U.S. \$75,000,000 9 3/4% Bonds due 1989

- Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
Abu Dhabi Investment Company
Blyth Eastman Dillon & Co. International Limited
Citicorp International Bank Limited
Gulf International Bank B.S.C.
Libyan Arab Foreign Bank
Manufacturers Hanover Limited
The National Commercial Bank (Saudi Arabia)

- Alahli Bank of Kuwait (K.S.C.)
Algeria Bank Nederland N.V.
Al-Saudi Banque
American Express Middle East Development Company S.A.L.
Amsterdam-Rotterdam Bank N.V.
Arab Finance Corporation S.A.L.
Arab Financial Consultants Company S.A.K.
Arab Jordan Investment Bank
Arab Trust Company K.S.C.
Arinfi (Arab International Finance Co.)
Banca Commerciale Italiana
Banca Araba Espanola S.A.
Bank of America International Limited
Bank of Credit and Commerce International S.A.
Bankers Trust International Limited
Banque Arabe et Internationale d'Investissement (B.A.I.I.)
Banque Bruxelles Lambert S.A.
Banque de l'Indochine et de Suez
Banque de Paris et des Pays Bas
Banque Nationale de Paris
Bayerische Vereinsbank
Berliner Handels- und Frankfurter Bank
Byblos-Arab Finance Bank-Belgium S.A.
Chase Manhattan Limited
Commerzbank Aktiengesellschaft
County Bank Limited
Creditanstalt-Bankverein
Credit Commercial de France
Credit Lyonnais
Credit Suisse First Boston Limited
Daiwa Europe N.V.
Dean Witter Reynolds Inc.
Deutsche Bank AG
Dillon, Read Overseas Corporation
Dresdner Bank AG
European Arab Bank Limited
Euroseas Banking Company (Qatar) Limited
Financial Group of Kuwait
FRAB Bank International
Goldman Sachs International Corp.
Hambros Bank Limited
International Finance & Banking Corp.
International Resources & Finance S.A.
Kidder, Peabody International Limited
Kleinwort, Benson Limited
Kleinwort Benson (Middle East) E.C.
Kreditbank S.A. Luxembourg
Kuhn Loeb Lehman Brothers International
Kuwait Financial Centre
Kuwait International Finance Co. S.A.K. (KIFKO)
Kuwait International Investment Company S.A.K.
Kuwait Investment Company SAK
Kuwait Pacific Finance Company Limited
Kuwait Real Estate Bank K.S.C.
McLeod Young Weir International Limited
Merrill Lynch International & Co.

Kuwait Foreign Trading, Contracting and Investment Co. (S.A.K.)

Georgia U.S. Corporation

an indirect wholly-owned subsidiary of

Nationale-Nederlanden N.V.

has acquired approximately 97% of the outstanding Capital Stock of

Life Insurance Company of Georgia

The undersigned acted as financial advisor to Nationale-Nederlanden N.V. in this transaction and as Dealer Manager for the Tender Offer.

Lehman Brothers Kuhn Loeb

Incorporated

NEW YORK ATLANTA BOSTON CHICAGO DALLAS HOUSTON LOS ANGELES SAN FRANCISCO LONDON TOKYO

June 26, 1979

INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

Please help—send a donation today to: Room F.1, The Multiple Sclerosis Society of G.B. and N.I., 4 Tachbrook Street, London SW1 1SJ.

THE JOBS COLUMN

Careers advice: French connection no match for British

BY W. P. KIRKMAN

COMPLAINTS ABOUT lack of communication between British higher educational institutions and employing concerns have been commonplace for a decade or more. But if you mention the Standing Conference of Employers of Graduates to a careers adviser in a university or polytechnic here, the adviser will certainly know what you are talking about.

A lot of British students also know what SCOEG is. Even those who do not, however, will know that their institutions' careers advisers know. Moreover, the students will expect the advisers to be well informed about employers in all major fields of work, and about the actual jobs they have to offer.

The same could not be claimed for communications between higher education and employment in France. Few students there would expect a university to employ people to know, or even be much concerned with, details of jobs or the organisations where they are available. In general, French university teachers are not interested in the topic.

Institutions have offices of "orientation" and careers carrying out duties imposed on the French universities under a law of 1968. But the offices' staff limit their activities and so provide only part of what in Britain would be considered a normal careers advisory service.

The French staff can scarcely do otherwise, since they are few in number and have to operate with resources which, by comparison with those available to me and my fellow advisers in the UK, are severely limited. Our counterparts across the Channel tend also to be held somewhat at arm's length by the academic staff of their institutions.

Envious

It is true that a senior academic in each university there must take responsibility for its *cellule d'orientation et d'information*. And those with this responsibility whom I met during a recent visit took the duty seriously and carried it

out with some enthusiasm. Even so, they seemed often to be voices crying in an academic wilderness, and the full-time staff of the *cellules* enjoy nothing like the salary or status of their academic counterparts. The concept of careers work ranking as a university department and staffed by people holding posts equivalent to academic level was viewed enviously by the French staff to whom I talked.

A comparison of the systems in the two countries must, of course, take account of other major differences. The first is the position of the French institutions—the universities which generally do not select their incoming students individually, and the *grandes écoles* which are highly selective, and teach subjects including engineering and business studies. Graduates from the *grandes écoles* are part of a much-favoured, greatly desired elite, and are in a seller's market. The universities enjoy nowhere near the same prestige and in that respect cannot be

compared directly with British universities.

A second important difference is in the attitude to qualifications and their relationship to jobs obtained. The Frenchman expects that a qualification will lead in a specific career direction, and conversely, that the absence of the set qualification will preclude a graduate from moving in that direction. The idea that history or chemistry graduates could (and in the UK frequently do) become production managers or chartered accountants was greeted with astonishment when I spoke about it to staff of various *cellules d'information*. It follows from this that much of the emphasis in careers advice is on what is the appropriate choice of subject to study, or the appropriate postgraduate qualification to pursue, and that much less attention is paid than in Britain to personal tastes, aptitudes and attitudes.

Because of the limited number of advisory staff, and the job/subject relationship, the advisers do not operate, as their counterparts in Britain do, as a regular means of liaison between the universities and the outside world. Yet the need for such a means of liaison is accepted, to judge from various pieces of evidence. For example, at the *Haute Ecole Commerciale*, one of the *grandes écoles* near Versailles, a member of staff is concerned with external relations. His brief covers discussions about the use by firms of the associated *Centre de Formation Continue*, as well as discussions about recruitment. Employers make visits in October, to give general presentations about their activities, and in the period April to June when specific recruitment interviews take place. One of the tasks of the staff is seen as being to encourage students to widen their horizons.

Bulletins

Another example is found in the activities of APGE (the *Association pour l'Emploi des Codres*), an organisation set up jointly by employers and trades unions to provide advice and information about recruitment, and about specific vacancies, to

imply many changes of practical approach. It would involve, among other things, acceptance of wholehearted careers activity as a full and proper part of the tasks of a university. This could hardly come under the present conditions when academic staff, necessarily concerned about their own career paths in a highly competitive field, will risk sacrificing their own prospects if they devote much time to careers advisory matters (unless they have already established their position, at the top of the academic tree).

Status

Inevitably, however, there will be problems of status and acceptability unless the activity is seen as a full part of the university's affairs rather than, as now, as an "extra" grafted on and provided by the Ministry of Universities. (That this system works as well as it does must be due in no small measure to the sensitive enthusiasm of Mme. Auvergne, the Ministry official mainly concerned with her *cellules*.)

It would be unrealistic and arrogant to assume that one country's systems could or should be translated lock, stock and barrel to another, or that they would be suitable if the translation were possible. National habits and the particular social framework in each country must play a crucial role in shaping the systems.

Many of the problems of employment, however, know no national boundaries, or at least none among the industrially developed states. In facing them, at graduate level—and admittedly graduate employment is but one aspect of a far wider set of difficulties—the British university and polytechnic careers advisory system does seem to confer some substantial benefits. With European comparisons so often to Britain's disadvantage, this may be reason for encouragement. (Bill Kirkman runs the Cambridge University Careers Service.)

Sales and Marketing Director

This is a career appointment in a publicly quoted £400m international group acknowledged as having an outstanding and long-term record of growth and profitability.

- THE ROLE is to head the function in the group's major subsidiary, a market leader in its sector. There is a support staff of 100.

- EXCEPTIONAL sales management skills and the ability to implement modern marketing techniques are essential.
- LOCATION: South of England. Salary to £17,000 plus a car.

Graduates of a business school or university are invited to reply in complete confidence to N. C. Humphreys as adviser to the company.

TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS

10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Group Secretary

for a well-known publicly quoted group engaged in the manufacture, distribution and retailing of footwear and in engineering. The undertaking has extensive overseas interests and an enviable record of profitable growth. Location—a pleasant area in the East Midlands.

- THE ROLE embraces all aspects of the corporate Secretarial and Legal functions including: patent and property management; insurance; personnel management and pension schemes administration.

- THE REQUIREMENTS are a legal or accountancy qualification and/or Secretarial experience at senior management level in a substantial manufacturing company.

- TERMS, which include an annual bonus and car, are for discussion with around £15,000 as the salary indicator. It could be more for exceptional relevant experience and achievement. Preferred age: mid-thirties to mid-forties.

Write in complete confidence
to Sir Peter Youens as adviser to the group.

TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS

10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Chief Accountant

Circa £11,000

London

An international group of companies based in the UK currently require a Chief Accountant.

The position is directly responsible to the Group Financial Director. Responsibilities include the development of effective financial and cost accounting procedures and the improvement of management information systems.

Aged 30 plus, applicants should be graduate Chartered Accountants, whose articles have been served in a medium or large practice and who have had a

minimum of 5 years' experience in a manufacturing environment.

It is essential that candidates have proven experience in staff management and the development of computerised accounting systems.

"Please apply initially with career details. Applications should be marked 'Confidential' and include a covering note indicating any organisation to which they should not be forwarded."

Please quote reference number and address them to:
Mrs. S. M. Staffworthy,
Ref: CA/2804



COMBINE RECRUITMENT CONSULTANTS
21-22 Poland Street, London W1V 3DD

MANPOWER INFORMATION UNIT

The Hotel and Catering Industry Training Board has established a unit to collect information about employment in its industry and wishes to appoint a

MANAGER—Manpower Information

(£7,223—£8,478 + car)

The successful applicant will be required to manage a young team of some nine staff and will need to demonstrate practical and creative skills in assessing, developing and maintaining a system for continuous collection of manpower information.

Candidates, male or female, ideally should have a relevant degree and appropriate experience at managerial level in manpower research or planning or in the large-scale collection and analysis of data, using computer processing techniques.

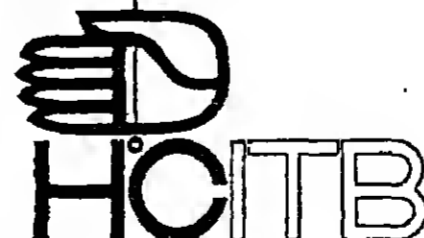
Salary will be within the scale £6,948-£8,203 plus £275 London Weighting per annum. The post will be based at Wembley and a considerable amount of travel is involved. A car is provided.

There is a contributory pension scheme.

Four weeks and two days annual leave increasing to five weeks over three years.

Particulars of the Board and its work, together with a job description and application form, are obtainable from the Personnel Administrator, Hotel and Catering Industry Training Board, Ramsey House, Central Square, Wembley, Middlesex. Telephone 01-892 8865.

Completed applications should be returned by 14 July quoting reference MU3.



REQUIRED FOR A PROMINENT

INSURANCE COMPANY

IN THE GULF AREA

Ambitious young man willing to work in Saudi Arabia, United Arab Emirates or the State of Qatar. Age not less than 25 and not more than 35. Attractive remuneration plus housing, transport and termination of duty compensation. Applicant should have at least three years' experience in one branch of insurance.

Please apply to Box A.6790, Financial Times,
10, Cannon Street, EC4P 4BY.

A memo to school-leavers

ARE YOU KEEN
TO BE
A JOURNALIST?

Are you interested in learning the craft of news journalism? Trainees must be ready to learn how to interview people about community affairs and to cover courts, councils and public events of all kinds, developing also a reporter's news sense.

For the NCTJ Newspaper Journalism one-year full-time course starting this September, apply without delay to the National Council for the Training of Journalists, 179, High Street, Epping, Essex CM16 4BG, if you will be under 20 on September 1st and may have two 'A' levels by then. The course should be followed by 2½ years indenture to a provincial newspaper for job-experience completion of training.

MANAGER—
INTERNATIONAL
AUDITING

HOUNSLOW

c. £10,000 p.a. + car

Prime Computer represents one of the most outstanding success stories in the computer industry. We currently have an opening for a Systems Auditor to evaluate the accounting and operational internal controls of our subsidiaries throughout Europe. Reporting to the Manager, Corporate Auditing, in the U.S.A., you will be expected to travel extensively throughout Europe, with occasional visits to the U.S.A.

The person we are seeking will be a qualified accountant with a minimum of 4 years experience with an international accounting firm or a multi-national marketing/manufacturing company. You should be familiar with American accounting practices and have systems design experience as a member of a management advisory service or a data processing department. Your main responsibility will be to evaluate management business systems including on-line computer applications and provide adequate internal controls.

This is a career opportunity and in addition to a competitive salary we offer a wide range of fringe benefits including free BUPA, Pension and Share Purchase Plan.

Please ring Mr. A. H. Silva today, as interviews are being held this week.

Prime Computer International,
The Hounslow Centre,
1 Lampton Road,
Hounslow, Middlesex
Tel: 572 6241.

An equal opportunity employer.



FINANCIAL CONTROLLER

c. £15,000 + car

Our clients, a major British manufacturing Group with a number of fairly autonomous satellite factories require a FINANCIAL CONTROLLER to head up their Finance Department responsible to the M.D.

Aged 32-40, probably a Graduate with an Accountancy Qualification plus possibly an M.B.A., he/she must be a constructive thinker and a Manager, not a presenter of undiluted figures. Used to a multi-site operation, the successful candidate must want to get deeply involved in short- and long-term business development. Location: West Home Counties. Ref: 2150.

FINANCIAL CONTROLLER

c. £8,500

One of the factories in the Group needs a FINANCIAL CONTROLLER aged 25-35, qualified to head up the Finance function in a Company which will be undergoing a major expansion programme in the next two years. Ref: 2140.

Write or preferably telephone quoting appropriate Ref. No.

Personnel Placement Services Limited,
14a Cross Street, Reading, Berks.
Tel: 0734 595343—24-Hour Service.

DIRECTOR OF EDUCATION
IN ACCOUNTANCY

An Independent Foundation organising Seminars and Short Courses for the accountancy profession seeks a Director of Education.

The seminars will be CPE accredited and mainly concentrate on theoretical and practical assistance to small and medium sized practices, thus enhancing their ability to give better practical help to their clients in the presently changing political and economic climate.

This is a unique opportunity for someone with experience and suitable qualifications. The applicant should be well versed in CPE courses, with wide knowledge in accountancy training and should know the best lecturers and experts in the country. Duties include responsibility for the curriculum, the high standard, quality and smooth running of the seminars. The applicant must have an independent, creative and logical mind. The Director of Education will be part of a small efficient team in congenial ambience. Top salary will be offered around £10,000 p.a.

Write in confidence giving full details to:

Chairman
The Guinness-Brompton Foundation
c/o 21 Brompton Arcade, Knightsbridge, London, SW3

APPOINTMENTS
WANTED

For the right position in London or Southern England contact:
BEE PROFESSIONAL
STAFF LTD.

who have many openings in commerce, industry and the professions for qualified, non-qualified and experienced accountants.
Telephone Now 0273 203377
Night Answering Service

INTERNATIONAL EXECUTIVE

Belgian national, 35 years old
needs new challenge

Experience: Project and sales management in the multi-million dollar bracket; negotiations at the highest levels in Europe, U.S., Middle East and Japan.

Seven years overseas: Africa and the Middle East. Presently based in the Middle East. Languages: English, French, Dutch, German.

Looking for a European-based post, but other areas would be considered. Detailed cv. on request.

Please reply to Box F1119, Financial Times, 10, Cannon Street, EC4P 4BY.

Handwritten signature: [illegible]

for £1000

accountancy appointments

£9,000

Growing Company with people in mind.

We are an International Trading Group specialising in the sales and installation of power generators/distribution systems as well as a wide range of transportation equipment and services. Following a programme of planned growth we now require the following personnel.

GROUP MANAGEMENT ACCOUNTANT—London based—some overseas travel Salary to £6,500 p.a. 25-40

Reporting to the Group Finance Director, you will be responsible for monthly management accounts, costing systems, short and long term financial evaluations, and must be flexible enough to assist in aspects of International

Accounting. ACCA/ACMA preferred but not essential. Previous overseas experience an advantage. Individual must be ambitious and self-motivated.

PLANT ACCOUNTANT—Based Saudi Arabia. Salary £10,000 Tax free + accommodation + food Age 25-40

We currently require an experienced Cost Accountant who is able to handle local administration, Cost accounting systems and management reporting for a new manufacturing plant in Riyadh, Saudi Arabia. There is a 12 month renewable contract with home leave every 4 months. Transfer/promotion within the Group is available to the right individual. ACCA/ACMA preferred but not essential.

Previous overseas experience would be an advantage. You will report to the Plant Manager.

COMPANY ACCOUNTANT—Ipswich Salary to £5,000

To join a newly acquired and fast expanding subsidiary. You will report to the Managing Director and be responsible for all aspects of local Financial Administration and control, including monthly reporting systems and basic cost accounting procedures.

Promotion opportunities within the group are excellent and are available to the right individual.

Applications in writing to the Personnel Director, Merican Power Services Ltd., 38 Dover Street, London W1X 3RE. Telephone: 01-499 1723/4/5. Telex: 298439 MPSON.



UNIVERSITY OF DUNDEE

Department of Accountancy SENIOR LECTURESHIP IN ACCOUNTING AND FINANCE

Applications are invited for the above position in a department with a strong research orientation. The successful candidate may have teaching and research interests in any area of accountancy or financial management.

This is a permanent, new post which can be filled immediately but the commencing date will be by agreement with the successful applicant. Salary will be on the scale, D5, 150 (£10,007) (under review). Superannuation is under OGB or PSPU. Assistance is given towards removal expenses to Dundee.

Further particulars are available from The Secretary, The University, Dundee DD1 4HN, with whom applications (six copies) including curriculum vitae and the names of three referees should be lodged by 20/7/79. Informal enquiries may be made to Professor J. R. Griyar Telephone Dundee 2318 ext. 2371. Please quote reference EST/62/7081.

CORPORATE FINANCE £6,000 + benefits Young ACAs with C.A.R. ambitions and preferably a desire to augment their existing knowledge of U.K. Direct Tax, Bank etc. via excellent post-graduate programme. **FINANCIAL ANALYSIS** £6,000 ACMA or ACCA 25-28 with good communication skills to join dynamic production engineering/contract team of well known public industrial co. in S.W.1. **Stephens Selection** 35 Dover Street, London W1X 3RA. 01-493 0817 Recruitment Consultants

Taxation Accountant

London From £8,000 p.a. + car

Our client, a major international engineering group, wishes to recruit a young Taxation Accountant to work at their London based headquarters. Functioning within an established Taxation Department, the appointee will be primarily responsible for the preparation of the annual taxation provisions of a number of UK subsidiary companies and the submission and agreement of computations with the Inland Revenue. Additionally he or she will assist senior personnel with company wide taxation planning exercises. As a member of a small team responsible for all UK and International Taxation, this position offers excellent opportunities for enhancing the appointee's experience. For this senior appointment, candidates must be qualified Accountants (ACCA/ACMA) with a minimum of 2 year post qualification experience and a proven background in taxation. In addition to an attractive commencing salary, the successful candidate will participate in a generous employee benefits package, including a car and assistance with relocation, where appropriate. Please write, in complete confidence quoting ref CRS 122, with details of career and salary progression to date, advising any companies to which your application should not be referred.

W.D. Radcliffe, Lockyer Bradshaw & Wilson Ltd., North West House, 119/127 Marylebone Road, London NW1 5PU.



Cost Manager Luton c.£7,000

Britannia Airways is a major U.K. based independent airline and part of the International Thomson Organisation. As a result of expansion and internal promotion we invite applications for the above post which reports to the Assistant Chief Accountant.

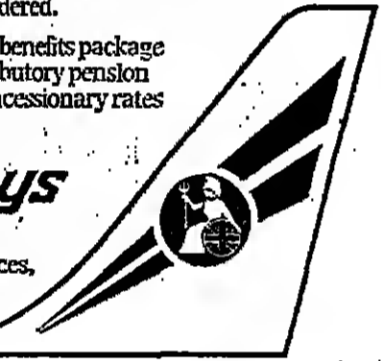
Controlling a staff of approximately 20, the person appointed will assume responsibility for providing information to all levels of management, the preparation and control of financial year-end data in conjunction with the Assistant Chief Accountant and other finance personnel, together with maintaining contact with various tour operators.

Applicants should be able to demonstrate sound knowledge and experience of costing and budgetary control and have developed a high level of managerial skills in the motivation and control of a large department. A qualified ACMA is desirable although applicants with relevant managerial experience will be considered.

The position will be supported by a first class benefits package including generous holiday discounts, contributory pension with free life cover, BUPA membership at concessionary rates and sports and social facilities.

Britannia Airways

Please send a comprehensive C.V. to: Mr. E. B. Gorman, Controller Personnel Services, Britannia Airways, Luton Airport, Bedfordshire LU2 9ND.



Director & Chief Accountant

£9,000 p.a. and car. Rural N. Midlands.

This is a new appointment to the Board of a manufacturing Company which is part of a well managed Group. As Chief Accountant the job will include responsibility for managing the small accounts department (using a mini computer) as well as further developing the disciplined financial reporting and forecasting systems in conjunction with line management. He or she will also be required to contribute broadly as a Director to the Company's profitable growth and expansion and may be concerned in acquisition studies, capital for which has been earmarked by the parent Group.

Candidates, ideally about 35, must be Chartered Accountants who are already managing an accounts department in a manufacturing company or division of a group. E.O.P. experience is essential. The wider business role envisages a person of above average commercial and financial acumen who can help in defining the Company's future business strategy. Benefits include removal assistance. Please write with brief career details in confidence to H.C. Holmes, Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.



Young Chartered Accountant Circa £8,000 London

Our clients are an international group of companies based in the UK. Due to expansion they are currently looking for a young Chartered Accountant for the position of Office Manager.

The position is directly responsible to the Chief Accountant for a wide variety of accounting duties including credit control, the development of computerised systems and the review and improvement of all office systems and controls. It is expected that candidates

are able to manage a department of at least 12 staff, and some experience in line management is desirable.

Please apply initially with details of qualifications and career. Applications should be marked 'Confidential' and include a covering note indicating any organisations to which they should not be forwarded.

Please quote reference number and address them to: Mrs. L. Scott, Ref. YCA/2805.



COMBINE RECRUITMENT CONSULTANTS 21-22 Poland Street, London W1V 3DD

The Personnel People Column Project Accountant Watford c.£8,000

UK subsidiary of U.S. multinational group seeks ambitious young accountant for career development position which involves dealing with a wide range of technical and operational problems for top financial management in the UK and Europe. Early management prospects.

Contact June Woodward

The Personnel People The Consultants in Executive & Professional Recruitment 01-638 2158 01-628 2689

National distributors of consumer audio equipment based in Watford require a

CHIEF ACCOUNTANT

The successful candidate will be a qualified Accountant in his/her late twenties who has some commercial experience. Responsibilities will include: management of accounts department, preparation of monthly management accounts, participation in the installation of a computer system and management of the system in operation, financial planning and preparation of detailed budgets. Salary c.£7,750 plus car.

Write with curriculum vitae to:-

HELMORE, HELMORE & CO., 35/37 Grosvenor Gardens, London SW1W 0BY.

ACCOUNTANTS

INITIALLY CHANNEL ISLANDS Reference L1258 Major Lloyd's Broking House require a newly-qualified or Finalist Accountant to control Off Shore Insurance Interests. Initially 6 months in Channel Islands with Flat Salary Circa £7,000 per annum.

HONG KONG Reference L1257 International Financial Company with Shipping Interests require a qualified or part-qualified Accountant for their Kowloon Office. Flat provided. 2 years renewable contract. Our clients envisage that the position may hold more appeal for a single person or married with no children.

PLEASE TELEPHONE IN CONFIDENCE Anthony J. Owens M.E.C.I. Director, INSURANCE PERSONNEL SELECTION LIMITED, (Employment Consultants) Lloyds Avenue House, 4, Lloyds Avenue, London EC3N 3ES. Telephone: 01-481 8111

DESIGNATE DIRECTOR

Position available for newly qualified chartered accountant with up to two years' commercial experience. Initial salary negotiable.

Exceptional career and entry prospects with a fast-expanding private company in the wine business and leisure industry. Tel: 01-567 8526

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast-changing market conditions.
- Telephone us for a cost free assessment meeting.

Perry COUTTS & Co. 01-839 2271

140 Grand Buildings, Trafalgar Square, London WC2.

£6,000-£9,000

ACCOUNTANCY APPOINTMENTS appear every Tuesday

For further details contact:

SALLY STANLEY 01-248 8000 Ext. 7177

Investment Accountant

Wembley Park c. £5,500 and Mortgage Subsidy

Cannon Assurance Limited, a leading unit linked life assurance company, require an experienced accountant to join our Investment Accounting team. The successful applicant will be responsible for the production of various reports and investigations relating to our investment activities. Applications are invited from men or women who have several years' experience in accounting for stock exchange and/or banking transactions. Relevant experience rather than qualifications gained will be the main criterion in selecting the right candidate.

Please telephone or write for an application form to: Mike Rowley, Personnel Manager, Cannon Assurance Ltd., Freeport, Wembley, Middlesex HA9 0BR. Tel: 01-902 8876



Cannon Assurance

Company Secretary Financial Accountant

for a well-established, progressive private Building Contractor

The successful applicant will be a qualified accountant of high professional competence, with a minimum of 5 years' experience in the industrial or construction field. He/she will assume direct responsibility for the day-to-day financial aspects of the company, including cash-flow and financial analysis and the presentation of management accounts. In addition he/she will be expected to analyse financial information and be able to recognise and evaluate potential commercial opportunities, making a keen business sense, self-motivation and the ability to work with others vital to success within the career offered. For further information and application forms, write in confidence to:

R. H. Barnard BSc MIOB, Goodall, Barnard & Clayton Limited, PO Box 28, 61 Worthing Rd, Basingstoke, Hants RG21 1UA. Telephone: 0256 65022



GOODALL, BARNARD & CLAYTON Established 1875

Reed Executive The Country's most successful Recruitment Service

International Credit Control

London £ neg + car

Our client, a highly successful broad-based multi-national manufacturing group, requires an experienced Credit Controller to assume responsibility for management of multi-million pound receivables generated by its operations in France. Aged 25-30, you should be bi-lingual in French and English and have had previous experience in international credit management at a senior level. Mobility is essential as frequent travel to France will be involved. Salary is negotiable according to experience and will be accompanied by a company car and the usual fringe benefits.

Telephone: 01-836 1707 (24 hr. service) quoting Ref. 03679/FT. Reed Executive Selection Limited, 55/56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

MERCHANT BANK - ACCOUNTANT

£7,500 + +

COMPANY - First-class Merchant Bank
LOCATION - Accountant in leasing and special loans area
QUALIFICATIONS - Graduate + ACCA or ACA
PROSPECTS - Superb career future

Please ring Roy Stockton 01-839 1836/7 Suite 253 Grand Buildings, Trafalgar Square, London, W2

COPY CAN BE SUBMITTED BY TELEX NUMBER 885033

WORLD STOCK MARKETS

Wall St. dips 4.85 on discouraging news

INVESTMENT DOLLAR PREMIUM \$2.60 to 1-34 1/2 (37 1/2) DISCOURAGING NEWS Energy, inflation and the dollar, forced Wall Street yesterday to give up almost all the ground it gained last week.

The Dow Jones Industrial Average came back 4.85 to \$44.25 and the NYSE All Common Index dipped 81 cents to 57.90, while declines outpaced advances by 1,004-to-483. Trading volume, however, decreased 5.1m shares to 31.45m.

Investors were worried about the inflationary impact of oil price increases expected to emerge from the meeting of OPEC Oil Ministers and continued dollar weakness.

Soaring grain prices on Commodity Markets raised the spectre of upward price pressures on food and fuel.

Long lines at Gasoline Stations were likely to take a toll on confidence, analysts said, raising fears of a more severe economic slowdown.

Takeover news spurred speculation Over-the-Counter Market gains. Fidelity Union Life surged ahead \$29 to \$94 bid.

Volume leader Chrysler held unchanged at \$101 1/2. It jumped 2 1/2 on Friday after a Trade Paper said Volkswagen would make an offer for Chrysler's stock.

Charter Co dropped \$4 to \$34 and the Warrants also \$4 to \$26 1/2. It disagreed with a published report that its plans to strike by Independent Truck drivers which could put further upward pressure on food prices.

NEW YORK

Table of stock prices for various companies in New York, including Johnson & Johnson, Merck, and others.

CANADA

Table of stock prices for various companies in Canada, including Alcan, Inco, and others.

AMSTERDAM

Prices closed mostly firmer with Royal Dutch up 2.40, while Hoogovens and Unilever were each up 1.40.

BRUSSELS

Belgian shares were mostly in moderate to very quiet trading. In foreign stocks, Germans, Canadians, French and Dutch were higher, while U.S. and UK issues were little changed.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data, including series, volume, and price.

BASE LENDING RATES

Table of base lending rates for various banks and institutions, including A.B.N. Bank, Allied Irish Banks, and others.

GERMANY

Table of German stock prices, including Allianz, BASF, and others.

TOKYO

Table of Japanese stock prices, including Dai-ichi Kangyo Bank, Daiwa Bank, and others.

AMSTERDAM

Table of Amsterdam stock prices, including Ahold, Akzo, and others.

BRUSSELS/LUXEMBOURG

Table of Brussels and Luxembourg stock prices, including Arbed, C.R. Cement, and others.

COPENHAGEN

Table of Copenhagen stock prices, including Danmarks Bank, East Asiatic, and others.

SWITZERLAND

Table of Swiss stock prices, including Alumin, ANIC, and others.

Indices

Table of various stock indices including NYSE, Dow Jones, and others.

STANDARD AND POORS

Table of Standard and Poors indices and ratios.

MONTEREAL

Table of Montreal stock prices, including Industrial, Financial, and others.

JOHANNESBURG

Table of Johannesburg stock prices, including Gold, Industrial, and others.

MONDAY'S ACTIVE STOCKS

Table of active stocks from Monday, including Australia, Belgium, and others.

OSLO

Table of Oslo stock prices, including Aker, and others.

JOHANNESBURG

Table of Johannesburg stock prices, including Anglo American, and others.

PARIS

Table of Paris stock prices, including Air Liquide, and others.

ACCI - INDUSTRIALS

Table of ACCI industrial stock prices, including Anglo-American, and others.

SPAIN

Table of Spanish stock prices, including Amstel, and others.

BRAZIL

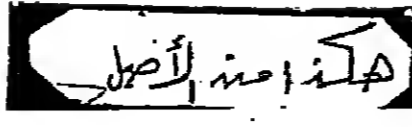
Table of Brazilian stock prices, including Asesit, and others.

MILAN

Table of Milan stock prices, including ANIC, and others.

VIENNA

Table of Vienna stock prices, including Creditanstalt, and others.



COMMODITIES and AGRICULTURE

Butter price its will short-lived

STEPHEN PARKES

IRS hoping to take... Traders were also concerned... The amount of milk sold by British farmers to dairies and creameries last month was 0.9 per cent lower than in May last year...

Record Soviet oils and fats... THE USSR may be forced to more than double its imports of oils and fats this season to a record 600,000 tonnes... Pakistan lifts cotton export ban... KARACHI — The Pakistan Government has lifted its ban on the export of staple cotton...

Lead lower as stocks increase

By Our Commodities Staff

LEAD PRICES fell again on the London Metal Exchange yesterday in the wake of a larger-than-expected increase in official warehouse stocks last week... Reserves rose 1,825 tonnes to 18,850 tonnes and the price of spot lead dropped £21 to £602 at the close...

Jamaican sugar hit by floods

BY CANUTE JAMES IN KINGSTON

JAMAICA MAY not be able to meet its sugar export commitments this year following the destruction of hundreds of thousands of tonnes of sugar cane by floods which a fortnight ago devastated the western section of the island, killing 41 people... The island's sugar authorities have planned to export more than 300,000 tonnes of sugar this year...

NZ FARM TRADE

China knits its way into the wool market

BY DAI HAYWARD IN WELLINGTON

CHINESE IMPORTS of New Zealand wool have doubled so far this season but industry experts here believe this could be only the beginning of a major expansion... Chinese wintners are usually fairly severe and homes have a relatively low level of domestic heating so large quantities of warm clothing are essential...

New Brazilian frost boosts coffee prices

BY RICHARD MOONEY

COFFEE PRICES moved higher on the London futures market yesterday following news that localised frosts struck southern Brazil on Sunday night... The frosts hit the non-coffee growing states of Santa Catarina and Rio Grande do Sul, where an overnight temperature of minus 2.5 degrees Centigrade was recorded in one place...

Glut depresses Jersey potato prices

BY OUR COMMODITIES STAFF

JERSEY new potatoes should soon be selling at 9p to 11p a pound in British shops—some 3p a pound cheaper than at the same time last year... Harvest hold-ups, caused by recent torrential rain, have caused a temporary glut which will have to be sold off cheaply...

Oil threat to Lobster fishing

LOBSTER fishing grounds off Seydlitz Bay are threatened by oil from the overturned tanker, 'Tarpenhek'... The ship capsized over the weekend while awaiting salvage following a collision in thick fog last week...

in harvest prospects brighten

FOR grain crops... Raising its forecast of world wheat output by 300,000 tonnes to 441.7m tonnes, the council noted that yield prospects from wheat and other crops in the USSR and some East European countries had been hit by prolonged dry weather...

Associated increases in stocks which brought out stockpiles and shifted sales... Forward metal opened at £582 but fell away to £565 before rallying to close the day at £575...

Oil threat to Lobster fishing

LOBSTER fishing grounds off Seydlitz Bay are threatened by oil from the overturned tanker, 'Tarpenhek'...

Oil threat to Lobster fishing

LOBSTER fishing grounds off Seydlitz Bay are threatened by oil from the overturned tanker, 'Tarpenhek'...

SH COMMODITY MARKETS

Table with columns for Metals, Lead, Zinc, Tin, Aluminium, Nickel, Silver, Gold, and various commodity prices and changes.

COCOA

Table with columns for Cocoa prices, including various grades and origins like West African and Latin American.

PRICE CHANGES

Table showing price changes for various commodities like Metals, Rubber, and Soybean Meal.

AMERICAN MARKETS

Table with columns for New York, Chicago, and other American market prices for commodities like Wheat, Soybeans, and Corn.

COFFEE

Table with columns for Coffee prices, including Arabica and Robusta grades.

SOYBEAN MEAL

Table with columns for Soybean Meal prices, including various grades and origins.

EUROPEAN MARKETS

Table with columns for European market prices for commodities like Wheat, Soybeans, and Corn.

GRAINS

Table with columns for Grain prices, including Wheat, Barley, and Oats.

WOOL FUTURES

Table with columns for Wool Futures prices, including various grades and origins.

INDICES

Table with columns for Financial Times, Dow Jones, and Moody's indices.

MEAT/VEGETABLES

Table with columns for Meat and Vegetable prices, including Beef, Pork, and various vegetables.

WHEAT

Table with columns for Wheat prices, including various grades and origins.

WHEAT

Table with columns for Wheat prices, including various grades and origins.

PERSONAL

After their husbands have gone... Many of today's widows, both old and young, need food and fuel to maintain homes and look after families...

PERSONAL

After their husbands have gone... Many of today's widows, both old and young, need food and fuel to maintain homes and look after families...

PERSONAL

After their husbands have gone... Many of today's widows, both old and young, need food and fuel to maintain homes and look after families...

China knits its way into the wool market

BY DAI HAYWARD IN WELLINGTON

CHINESE IMPORTS of New Zealand wool have doubled so far this season but industry experts here believe this could be only the beginning of a major expansion... Chinese wintners are usually fairly severe and homes have a relatively low level of domestic heating so large quantities of warm clothing are essential...

Glut depresses Jersey potato prices

BY OUR COMMODITIES STAFF

JERSEY new potatoes should soon be selling at 9p to 11p a pound in British shops—some 3p a pound cheaper than at the same time last year... Harvest hold-ups, caused by recent torrential rain, have caused a temporary glut which will have to be sold off cheaply...

AMERICAN MARKETS

Table with columns for New York, Chicago, and other American market prices for commodities like Wheat, Soybeans, and Corn.

EUROPEAN MARKETS

Table with columns for European market prices for commodities like Wheat, Soybeans, and Corn.

INDICES

Table with columns for Financial Times, Dow Jones, and Moody's indices.

MEAT/VEGETABLES

Table with columns for Meat and Vegetable prices, including Beef, Pork, and various vegetables.

LONDON STOCK EXCHANGE

Companies and Markets

Short-term economic difficulties again dampen interest 30-share index loses 2.6 more to 473.4 but Oils resist

Account Dealing Dates
Option
*First Declara- Last Account Dealings Days
June 14 June 14 June 15 June 26
June 18 June 23 June 29 July 10
July 2 July 13 July 13 July 24

Institutional sources, still viewing the uncertain short-term outlook with some apprehension, again withheld their funds and it was left to small public investors to provide the bulk of the day's trade. This was mostly completed in the first 90 minutes or so of business, taking a penny off leading shares and occasionally more from selected secondary issues.

81p per share. Baker Perkins gave up 4 to 155p, while late offerings left Yarrow 10 cheaper at 350p. WGI were quoted ex the rights issue at 105p with the new shares at 9p premium.

LONDON TRADED OPTIONS
Table with columns: Option, Ex'cise, Closing offer, Vol., Closing offer, Vol., Equity close

Banks better
Newspaper comment highlighting the outlook for banking profits stimulated a small demand for home banks. Barclays, 44 1/2, Lloyds, 32 1/2, and NatWest, 34 1/2, all improved 3, while Midland reversed an initial fall of a couple of pence to close a penny firmer on balance at 40 1/2.

Stores drift lower
Store leaders tended easier following a subdued business. Gussies "A" fell 6 at 355p, while Marks and Spencer, 11 1/2, and Mothercare, 17 1/2, gave up 2 and 1 respectively. The odd firm spot was apparent among secondary issues, John Michael continuing to benefit from improved annual figures and rising to 40p, while Time Products added a similar amount to 23 1/2.

APPOINTMENTS

Coats Patons deputy chairman

Mr. W. D. Coats has been appointed deputy chairman of COATS PATONS.
The Secretary for Trade has appointed Mr. K. M. Franklin and Mr. I. C. Elms to be members of the AIR TRAVEL RESERVE FUND AGENCY for two years.

OPTIONS

DEALING DATES

First Last For Oil, MFL, Charterhall, Status Deal-Declara-Settle-Deals-ment Jun 25 Jun 25 Sep 2 Oct 18 Jun 25 Jun 25 Oct 18 Jun 25 Jun 25 Oct 18 Jun 25 Jun 25 Oct 18

SE Council

Mr. Peter Willis was yesterday elected a deputy chairman of the STOCK EXCHANGE. Mr. Willis has been a member of the Council for six years, having been admitted to the exchange in 1960.

ACTIVE STOCKS

Table with columns: Stock, Denomina- marks, Closing price (p) on day, Change, 1979 high, 1979 low

FIXED INTEREST STOCKS

Table with columns: Issue Date, Maturity Date, 1979 High, Low, Stock, 1979 High, Low

"RIGHTS" OFFERS

Table with columns: Issue Price, Latest Return, 1979 High, Low, Stock, 1979 High, Low

Mr. Leonard Deeds and Mr. Henry Popper have been appointed directors of BECKETT LAYCOCK AND WATKINSON and its UK subsidiaries from July 2. Mr. L. V. Robins has resigned as managing director but continues as chairman and remains responsible for overseas companies.

Mr. Johannes de Gier assistant general manager of the Amsterdam-Rotterdam Bank N.V. in Amsterdam and its international new issue and syndicate business.



Mr. Johannes de Gier

FINANCIAL TIMES STOCK INDICES

Table with columns: Index, June 25, June 26, June 27, June 28, June 29, June 30, 1 Year Ago

HIGHS AND LOWS

Table with columns: Govt. Secs., Fixed Int., Ind. Ord., Gold Mines, Ex-5 pm.

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Foreign Bonds, Financial and Prop., Oils, Minerals, Others

NEW HIGHS AND LOWS FOR 1979

Table with columns: Share, Index No., Day's Change, % of 1979 High, % of 1979 Low

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

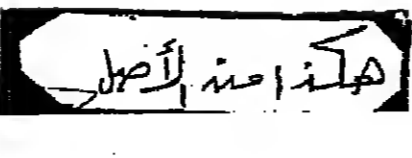
EQUITY GROUPS & SUB-SECTIONS

Table with columns: Index No., Day's Change, % of 1979 High, % of 1979 Low, Index No., Index No., Index No., Index No., Index No.

FIXED INTEREST PRICE INDICES

Table with columns: British Government, 1 Under 5 years, 2 5-15 years, 3 Over 15 years, 4 Irredeemables, 5 All stocks

Renunciated data usually last day of dealing for stamp duty. Figures based on prospectus estimates. * Assumed dividend and yield. † Forecast dividend: cover based on previous year's earnings. ‡ Dividend and yield based on prospectus or other data. § Estimated. ¶ Issued by way of capitalisation. ** Retained. †† Issued in connection with reorganisation, merger or takeover. ‡‡ Introduction. ††† Issued to raise money for other purposes. †††† Issued to holders of ordinary shares as a rights issue. ††††† Issued by way of capitalisation. †††††† Issued in connection with reorganisation, merger or takeover. ††††††† Issued to raise money for other purposes. †††††††† Issued to holders of ordinary shares as a rights issue.



AUTHORISED UNIT TRUSTS

Table of authorized unit trusts, listing names like 'Funds in Court', 'National and Commercial', 'G.T. Unit Managers Ltd.', and various fund names with their respective details.

Table of authorized unit trusts, listing names like 'Minster Fund Managers Ltd.', 'MLA Unit Trust Mgmt. Ltd.', 'Murray Johnsons Ltd.', and various fund names.

Table of authorized unit trusts, listing names like 'Pratt Portfolio Mgrs. Ltd.', 'Gutter Management Co. Ltd.', 'Reliance Unit Mgrs. Ltd.', and various fund names.

Table of authorized unit trusts, listing names like 'Schindler Trust Mgrs. Ltd.', 'Tower Unit Trust Mgmt. Ltd.', 'Trade Union Unit Trust Managers', and various fund names.

Table of authorized unit trusts, listing names like 'Transatlantic and Gen. Secs. (C) (Y)', 'Tynhall Managers Ltd.', 'Tynhall Managers Ltd.', and various fund names.

Table of authorized unit trusts, listing names like 'Wider Growth Fund', 'Wider Growth Fund', 'Wider Growth Fund', and various fund names.

Table of authorized unit trusts, listing names like 'Wider Growth Fund', 'Wider Growth Fund', 'Wider Growth Fund', and various fund names.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds, listing names like 'Alexander Fund', 'Allen Harvey & Ross Inc.', 'Arbuthnot Securities (C.I.) Limited', and various fund names.

INSURANCE AND PROPERTY BONDS

Table of insurance and property bonds, listing names like 'Abbey Life Assurance Co. Ltd.', 'Crown Life Assurance', 'Lloyds Life Assurance', and various insurance companies.

NOTES
Prices do not include 5% premium, except where stated.
Yields are shown in italics where applicable for all ordinary investments.
Yields are shown in bold italics where applicable for all ordinary investments.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, bid, offer, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and Overseas Assurance.

PROPERTY—Continued

Table of property-related stocks including companies like British Land, Anglo-Continental, and Anglo-Scottish.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust, Anglo-Continental, and Anglo-Scottish.

FINANCE, LAND—Continued

Table of finance and land-related stocks including companies like Anglo-Continental, Anglo-Scottish, and Anglo-Continental.

NOMURA The Nomura Securities Co., Ltd. Logo and contact information for London and New York offices.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like Anglo-American, Anglo-Continental, and Anglo-Scottish.

TINS

Table of tin stocks including companies like Anglo-American, Anglo-Continental, and Anglo-Scottish.

COPPER

Table of copper stocks including companies like Anglo-American, Anglo-Continental, and Anglo-Scottish.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-American, Anglo-Continental, and Anglo-Scottish.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data for various countries including India, Sri Lanka, and Africa.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various companies and markets.

LEISURE

Table of leisure-related stocks including companies like British Leisure, Anglo-Continental, and Anglo-Scottish.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Motor, Anglo-Continental, and Anglo-Scottish.

Garages and Distributors

Table of garage and distributor stocks including companies like British Garage, Anglo-Continental, and Anglo-Scottish.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Newspaper, Anglo-Continental, and Anglo-Scottish.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Paper, Anglo-Continental, and Anglo-Scottish.

PROPERTY

Table of property-related stocks including companies like British Land, Anglo-Continental, and Anglo-Scottish.

SHIPPING

Table of shipping-related stocks including companies like British Shipping, Anglo-Continental, and Anglo-Scottish.

SHOES AND LEATHER

Table of shoes and leather-related stocks including companies like British Shoes, Anglo-Continental, and Anglo-Scottish.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-American, Anglo-Continental, and Anglo-Scottish.

TEXTILES

Table of textile-related stocks including companies like British Textiles, Anglo-Continental, and Anglo-Scottish.

TOBACCOS

Table of tobacco-related stocks including companies like British Tobacco, Anglo-Continental, and Anglo-Scottish.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including companies like British Trust, Anglo-Continental, and Anglo-Scottish.

FINANCE, LAND, etc.

Table of finance, land, and other related stocks including companies like British Finance, Anglo-Continental, and Anglo-Scottish.

INSURANCE

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and Overseas Assurance.

Japan and U.S. agree to cut oil imports

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

Japan and the U.S. have agreed to establish targets for cutting their oil imports. This was decided in talks between President Carter and Prime Minister Masayoshi Ohira, which set the scene for what could be an agreement along the same lines by the leaders of the seven advanced countries at the Tokyo summit on Thursday.

The agreement was reached in principle rather than on precise figures—at the first of two sessions of talks in which the two leaders are scheduled to discuss economic and political problems including security problems in Asia.

Apart from oil, a major topic on yesterday's agenda is understood to have been

the Indochina refugee problem. Both leaders agreed that this should be taken up during the broader seven-nations talks later in the week.

Japan's agreement to import reduction targets appears to go somewhat beyond its earlier cautious attitude to proposals for tackling the energy problem. It appears that the targets to be established may apply to oil imports during 1979 and 1980 (Japan previously favoured restricting economy measures to 1979). Neither Japan nor the U.S. appeared to be in favour of a European proposal for freezing imports of oil at 1978 levels up to 1983.

Japan's current oil import

plans call for 292m kilolitres in fiscal year 1979 (ending March 31 next year), 300m kilolitres in 1980 and 317m kilolitres in 1981 but it appears that the 1979 import figure may be reduced to 281m kilolitres through the cancellation of plans for the building up of Government stockpiles. Revisions to the figure for 1980 have yet to be revealed.

Other topics discussed at the Carter-Ohira meeting included bilateral economic relations and the Middle East situation. The two leaders meet again today for talks which are expected to focus on Asian political and security issues.

State takes over all insurance companies in Iran

BY ANDREW WHITLEY IN TEHRAN

IRAN YESTERDAY extended its takeover of private industry by nationalising the country's insurance companies. Three British companies, General Accident, Commercial Union and the Royal Assurance Group, are involved in the Iranian insurance market.

An announcement on the state radio said the nationalisation would take place immediately. It resulted from a recent decision of the revolutionary council, conveyed to the Government of Mr. Mehdi Bazargan for implementation.

The takeover was made simpler by the high proportion of the market, worth nearly \$400m last year, already in Government hands. Before the revolution, Bimeh Iran, owned by the State, and Bimeh Mell, owned by the Shah's charitable trust, the Pahlavi Foundation, controlled three-quarters of all business.

The state radio yesterday made clear this was a decision of the clergy-dominated Revolutionary Council, not of Mr. Mehdi Bazargan's Government. It was evident yesterday that the officials who will be responsible for its implementation had had no warning to consider the consequences.

On the orders of the Government all 13 Iranian insurance companies affected are closed until Saturday when their new Government-appointed managers will take over. The future of two foreign companies, Yorkshire—a subsidiary of General Accident—and the Soviet state concern Inostran, appears to have been not yet settled.

The announcement said in future insurance would be run "in accordance with Islamic rules." There was no mention of compensation or details of what will happen to the companies' investments although it was assumed here these would automatically be taken over.

Although the timing of the move took Tehran businessmen by surprise, it had long been expected, especially after the nationalisation of the banks on June 8 which increased the State's share to some 85-90 per cent.

Nationalisation of banks, insurance and "certain heavy industries" was a feature of one version of the draft national constitution, leaked to the Press

in late April. These references were dropped from the officially approved version now being debated, but pressures in favour of a wide-scale nationalisation programme clearly remain strong within the clergy-dominated revolutionary council.

The authorities are known to be contemplating nationalising a range of privately-owned concerns whose major private shareholders have fled the country, leaving their industries rudderless or shut down. A decree on the subject is likely within the next fortnight.

Preliminary talks have already been held between the National Petrochemical Company and foreign participants in four joint venture petrochemical complexes about the takeover of their assets sometime in the future.

Eric Short writes: Although the three British companies affected were not entirely surprised by the move, they were disappointed that no mention was made of compensation.

The companies' insurance business in Iran represents a very small part of their total worldwide business—less than 1 per cent of premium income.

Most insurance business from Iran is dealt with on the London market in the form of reinsurance—much of it coming from the State-owned insurance company in Iran. In spite of the Government's statements about Islamic principles, the reinsurers in the UK do not expect a complete halt to reinsurance from Iran.

More details, Page 5

Irish post strike settled

By Stewart Dalby

IRELAND'S Department of Posts and Telegraphs reached a settlement last night in the country's four-and-a-half-month long post and telephone strike.

The agreement with the Post Office Workers' Union, which has 13,000 members, is expected to be ratified by the Cabinet today. A formal return-to-work has still to be arranged—probably for tomorrow.

Under the deal which was negotiated after mediation by the Irish Congress of Trade Unions, postmen and telephonists are to receive increases of between 14 and 18 per cent and a £400 cash payout. Clerks will receive increases of up to 12 per cent.

Understanding

The agreement gives postmen a weekly rise of about £10 taking their basic wage to £76.

It is thought that the Government will accept the agreement since its own national understanding on wages allowed for increases of 14 per cent over 15 months. The understanding has yet to be accepted by the unions and in the meantime the Government has imposed a 7 per cent guideline for six months.

It is not clear what period the Post Office settlement covers, though it is unlikely to be less than 15 months. Officials said that it should take two days to clear the post which is already in the system, but that it could take some weeks to clear the backlog of millions of pieces of mail which are waiting in other centres.

Power engineers' pay talks fail

BY ALAN PIKE, LABOUR CORRESPONDENT

PAY negotiations on behalf of 27,000 engineers in the electricity supply industry broke down yesterday, with their union threatening industrial action.

The executive of the Engineers' and Managers' Association's Electrical Power Engineers' Association will meet next week, and Mr. John Lyons, general secretary, said last night that it would "almost certainly decide to apply industrial sanctions against the electricity boards."

Power engineers operate the grid system and distribution network and their potential for industrial disruption is enormous. An Electricity Council spokesman said after the failure of the negotiations: "They can choose the level of hardship which might have to be endured by industry and the public."

Negotiations, which have been broken out over many weeks, broke down yesterday when the union rejected a staged offer which would have increased

salaries by 16-18 per cent by the end of the year. The union is campaigning for the restoration of differentials with a claim for increases ranging from 32 to 40 per cent.

During yesterday's talks Electricity Council negotiators told the union that they would be prepared to take the claim to arbitration or some other form of independent inquiry.

Mr. Lyons attacked the electricity boards after he left the talks, saying: "They have taken advantage of our goodwill in recent years to try and impose on this key group of engineers a permanent reduction in their differentials where elsewhere they are being restored."

The responsibility for the consequences of this breakdown rests fully on their shoulders."

The power engineers' conference earlier this year gave authority for industrial action "if necessary" in the campaign to restore differentials. Executive members will consider the next move a week today.

Gromyko rejects any U.S. treaty changes

BY DAVID SATTER IN MOSCOW

MR. ANDREI GROMYKO, the Soviet Foreign Minister, said yesterday it would be "the end of negotiations—the end" if the U.S. Senate rejected the SALT 2 treaty or tried to amend it.

Speaking at a rare Press Conference, Mr. Gromyko made the most emphatic Soviet commitment yet on rejecting any Senate tampering with the SALT 2 treaty in its present form.

No matter what amendments were offered, Mr. Gromyko said, the bridges which SALT 2 built to further arms reductions under SALT 3 would have been destroyed. "I tell you frankly it would be impossible to resume negotiations—a fantastic situation." He urged U.S. Senators to "think about it" and to evaluate the treaty objectively and with the guidance of their consciences.

Mr. Gromyko said that in the SALT 2 negotiations both parties agreed to the principles of equality and equal security and the treaty to an equal extent served the interest of the U.S., the Soviet Union and the whole world.

"The 'great service' of the SALT 2 treaty was that it was the 'fundament' for progress toward further limits and even reductions in the stockpiles of strategic weapons.

"This is the beginning of a process which it is impossible to even compare in its importance with other processes." If the treaty were not

ratified, "the situation will be complicated, the situation will be bad."

Mr. Gromyko said the negotiations for SALT should include other countries besides the U.S. and the Soviet Union and should cover medium-range ballistic missiles.

Both sides at the Vienna summit talks had agreed that the signing of SALT 2 should have a good effect on other areas of negotiation. None the less, the European force reduction talks continued to be deadlocked over the Western insistence that "we have 180,000 more troops than we have."

Mr. Gromyko said that because one could conclude that the West did not really want a force reduction agreement but "we hope they will change their stand."

Mr. Leonid Brezhnev, the Soviet President, had given President Carter a "frank assessment" of the Soviet-American relationship at the summit meeting and both had agreed that it should be improved.

"We are convinced that better economic relations would put a more solid foundation under our political relationship," he said. Mr. Gromyko added that the question of U.S. most favoured nation status for the Soviet Union, which is barred by the Jackson-Vanik amendment without specific Soviet assurances on Jewish emigration, was not specifically discussed at the summit talks.

THE LEX COLUMN

Why Furness should steer clear

Hopes that Euroferries might intervene in the dispute between Furness Withy and two of its major shareholders, Eurocanadian Shipholdings and KCA International, were behind the 6p rise in the share price yesterday to 302p. But it seems extremely unlikely that any moves will be made by Euroferries, and time is running out before the annual meeting of Furness on Thursday, when three controversial resolutions are being proposed.

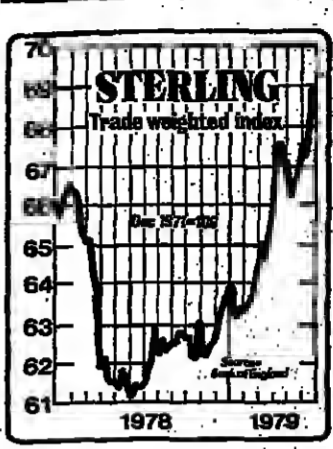
The affair can be seen as a flamboyant course of action by Mr. Frank Narby, of Eurocanadian, to stir up opinion ahead of the Monopolies Commission's deadline for the cut in Eurocanadian's stakes in Furness to 10 per cent. Of its 18.4 per cent share, 8.4 per cent has been passed over to KCA but only on a conditional basis.

This "disposal" could be seen more in terms of a way round the Monopolies Commission ruling that Eurocanadian should not vote more than a 10 per cent stake in Furness than a genuine sale. The deadline itself appears to be flexible—it has already been extended by a year—but clearly Mr. Narby is under some pressure to find a solution.

The details of his case barely stand examination. He berates the management of Furness, but provides virtually no figures relating to Eurocanadian's performance other than that it does not publish its results "for competitive reasons." His partner in the attempt to push through changes at Furness, Mr. Paul Bristol, has a distinctly accident-prone record at KCA.

In the context of the recent history of the shipping sector Furness really does not have at all a bad record. Mr. Narby's financial analysis appears to be largely confined to plucking a figure out of the air for assets per share—of 768p—and then complaining that the return on this is too low. Moreover, Mr. Narby is keen on a special deal over Manchester Liners and Mr. Bristol has proposals for a joint offshore drilling company. Other shareholders do not have such special interests, and it is hard to see why they should find the resolutions at all attractive.

Index fell 2.6 to 473.4



more favourable than in most European countries.

On top of all this comes the threat of a still higher oil price. But sterling rises higher and higher on the hydrocarbon tide: yesterday the trade-weighted index moved up another 0.3 to 68.9 and the dollar rate closed at just under \$2.16.

Sky float

With its entrepreneurial spirit unleashed by the Conservative Budget the City is now asked to produce a £6.4m welcome for Thermo-Skyships, a venture whose product and prospects are both reminiscent of Dan Dare. The company wants this money to develop a new class of aircraft which will fly using all known aerodynamic principles.

Laing and Crickshank have devised a correspondingly diverse financial package. In an attempt to leave the original entrepreneurs with a satisfactory amount of equity, they have asked investors to put up pure venture capital in the form of shares, participatory preference shares, and loan stock. The investor gets these in a fixed proportion, and thus becomes an involuntary leader, as well as shareholder.

The whole complex package will be partly paid—30 per cent now and the rest over a year later, and then only if shareholders are 75 per cent in favour. This appears at first sight to be an important escape route for the investor, but the potential balance of power reduces its attractions. European Ferries, of which Thermo-Skyships is currently a subsidiary, has said it will apply for up to 300,000 of the 560,000 new shares being issued. Together with the 90,000 shares it already holds this would give it, assuming the worst, 60 per cent of the votes at the EGM.

The entrepreneurs behind Thermo-Skyships will not be able to vote their deferred shares, but could add to the pressure for a call if they subscribe for the issue themselves. The attractions of the part payment are further reduced by the fact that if the company goes into liquidation before the call, the shareholders may have to forfeit some of the deferred payments to pay debts.

All of this underlines the fact that this issue is a flyer by something which may not fly. It was judged impossible to underwrite it so it is up to courageous small investors, plus those institutions which can dabble in unlisted securities, to show the Stock market still has a sense of adventure.

Foreign Exchanges

It is only three weeks since the Bundesbank was selling dollars heavily to keep the mark firm and minimise the effect of rising raw material prices on the German economy, even at the cost of vexing its EMS partners, who found them-

selves compelled to raise domestic interest rates just to keep in touch with the mark. But now a more familiar pattern has returned to the Frankfurt fix. The mark looks effortlessly firm and the Bundesbank is buying dollars in significant quantities (\$50m at yesterday's fixing) to keep order in a foreign exchange market in which the dollar is looking increasingly weak.

It may just be that the market is unusually nervous at the moment, and that the Bundesbank considers that a few dollars more in its reserves are a necessary accompaniment to an OPEC meeting. But recent German policy shows a deep fear of inflationary pressure which suggests the authorities will be most unhappy to support the dollar for long. German money supply is still rising at a lively rate, there was a DM 3.1bn increase in May, despite a large fall in the exchange reserves that month—and the Bundesbank is not going to be anxious to issue marks to foreigners.

Ever since the U.S. measures of November 1 the dollar has enjoyed a very strong technical position as the leads and lags that had been built up against it have been unwound or reversed. This process may now have more or less come to an end. Rising interest rates in Europe have narrowed the differential that was working in the dollar's favour, and there has been widespread switching to DM bonds from dollar paper yielding no more than 1/2 points more. With the Bundesbank, other EMS central banks and even the Bank of England acting firmly to restrain monetary expansion, the Fed has looked increasingly conspicuous: odd man out. Inflationary expectations in the U.S. are now no

Continued from Page 1

\$20 a barrel

seems reconciled to \$20 a barrel.

Dr. Mana al Otaiba, UAE Minister of Oil, said yesterday that his Government wanted a "moderate price increase that would not damage the world," but that it should not be higher than \$20 a barrel.

All member states say that they would like to return to a rational pricing system related to actual market conditions and the supply-demand equilibrium. In practice some producers, like Iraq and Libya, would probably be happy to see a continuation of the present "free-for-all" which has resulted in an official selling price for Libya's Zuetina ultra light crude of \$21.31 a barrel. Iran's equivalent of Arabian Light is being sold at no less than \$18.47 by the militant theocratic regime.

The voice of compromise and moderation as always came from Venezuela. Sen. Humberto Calderon Berti, Minister of Mines and Hydrocarbons, said that a unified price structure was more important for both producers and consumers than the actual level. "We have to find a level where everyone can agree," he said.

New Companies Bill may ease accounting for small concerns

BY MICHAEL LAFFERTY

THE ACCOUNTING and audit requirements for smaller companies are likely to be relaxed to a new Companies Bill, to be introduced in 1980.

This was the implication of a Government statement about company law reform made in the House of Lords yesterday during the second reading of the present short Companies Bill.

The statement by Lord Trenchard, Minister of State for Industry said that the decision to exclude references to the proprietary company—small companies managed by the people who own them—inserted in the last Companies Bill by the Tory opposition,

should not be taken as a change of heart by the Government, but merely a change of tactic.

The Government will be dealing specifically with the question of disclosure and audit of small companies and with the definition of a proprietary company for these purposes in a consultative paper about company accounts, to be published shortly.

The consultative paper, expected to appear next month, will discuss how the EEC fourth directive on harmonising company accounts should be implemented in the UK. The Trade Department has indicated that the possibility of introducing a multi-tier disclosure

system for companies, depending on their size, has been considered for some time.

Such an approach would reverse the tradition of British company law, which is based on the objective that all limited companies have to observe broadly the same standards.

A move to exclude small companies from the audit requirement was welcomed by audit partners in large City accounting firms yesterday. Many such auditors believe that it is impossible to carry out a complete audit of most small companies because of the absence of internal controls.

Parliament Page 12

Weather

UK TODAY

MOSTLY DRY. Scattered showers. Cool generally.

London, S.E., Cen. Southern, S.W. England, Channel Isles

Rain, becoming drier and brighter. Max 16C (61F).

E. Anglia, Midlands, Wales, Lakes, Isle of Man, N.E. England

Mainly dry. Sunny intervals. Max 18C (64F).

Aberdeen, N.W. Scotland

Showers. Bright intervals. Max 14C (57F).

Rest of Scotland

Scattered showers. Sunny intervals. Max 18C (58F).

N. Ireland

Mainly dry. Sunny intervals. Max 10C (50F).

Outlook: Mainly dry. Cloudy. Temperatures normal.

WORLDWIDE

City	Temp	Wind	Clouds
Algeria	25	77	
Algiers	31	88	
Alexandria	16	61	
Amman	30	86	
Bahrain	29	84	
Batavia	29	84	
Beirut	22	72	
Bombay	32	90	
Buenos Aires	18	64	
Bangkok	32	90	
Brussels	18	64	
Cardiff	16	61	
Cairo	28	82	
Canton	26	79	
Chengde	22	72	
Cebu	30	86	
Colon	28	82	
Dhaka	28	82	
Hankow	28	82	
Hong Kong	28	82	
Houston	28	82	
London	16	61	
Los Angeles	25	77	
Luanda	27	81	
Madrid	31	88	
Manila	30	86	
Mexico City	28	82	
Moscow	18	64	
Mumbai	30	86	
Nairobi	28	82	
Paris	18	64	
Rangoon	28	82	
Rome	18	64	
Sao Paulo	28	82	
Singapore	28	82	
Sydney	22	72	
Taipei	28	82	
Tokyo	28	82	
Yokohama	28	82	

A few words about Tokai Bank's expanding international operations.

As you might know, Tokai Bank is one of the leading banks in the world with over 15,000 employees and 200 offices established in Japan itself.

It probably doesn't surprise you we're modern, progressive, and one of the first banks in the world to utilize on-line computerization in our banking operations.

What may surprise you is our commitment to international banking.

At present we have over 20 offices and affiliates around the world, and we just opened a branch in Chicago.

Currently we're serving the world through loans. And also lending something as valuable as money. Financial advice gained through over 100 years of banking experience.

So don't just think of us as a Japanese Bank. Think of us as a bank that serves Japan and the world.

TOKAI BANK

Head Office: 21-24, Nishiki 3-chome, Naka-ku, Nagoya. Tel.: 053.211.1111 Overseas Networks: (Branches & Agent) New York, Los Angeles, London, Frankfurt, Singapore; (Representative Offices) Toronto, Chicago, Mexico City, Sao Paulo, Paris, Tehran, Sydney & Jakarta; (Subsidiaries) Total Bank of California, Tokai Bank Nederland N.V., Asia Limited; (Affiliates & Associates) London, Paris, Bangkok, Hong Kong & Sydney.

Registered at the Post Office, Printed by St. Clements Press for and published by the Financial Times Ltd., Brixton House, Cannon Street, London, EC4A 3DF.

© The Financial Times Ltd. 1979.